DOMINION OF CANADA

OFFICIAL REPORT

OF

DEBATES

HOUSE OF COMMONS

FIFTH SESSION—NINETEENTH PARLIAMENT

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1944

HOUSE OF COMMONS

DEBATES

OF

OFFICIAL REPORT

DOMINION OF CANADA

CANADA

House of Commons Debates

OFFICIAL REPORT

Tuesday, April 18, 1944

The house met at three o'clock.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 72, for the relief of Alfreda Elsie Hatch Carpenter.—Mr. MacInnis.

Bill No. 73, for the relief of Rachel Segal Kaparofsky.—Mr. Factor.

Bill No. 74, for the relief of Paul Lapointe.—Mr. Factor.

Bill No. 75, for the relief of Vera Grace Percy Moore.—Mr. Factor.

Bill No. 76, for the relief of Jean Fernand Georges Robitaille.—Mr. MacInnis.

Bill No. 77, for the relief of Marie Stella Gisele Payette MacRae.—Mr. Gray.

Bill No. 78, for the relief of Horace Henry Chapman.—Mr. Hazen.

Bill No. 79, for the relief of Florence Berger Bassin.—Mr. Casselman (Grenville-Dundas).

Bill No. 80, for the relief of Roland Edouard Levert.—Mr. Macdonald (Brantford City).

Bill No. 81, for the relief of Alice Robert Rajotte.—Mr. Hill.

COMMONWEALTH RELATIONS

REFERENCE TO PRESS REPORT OF STATEMENT OF MR. BRACKEN

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I wish to direct attention to a paragraph which appears in a brief statement on the policy of commonwealth relations which was issued by the Hon. Mr. Bracken last night and which appears in the press of the country to-day. The paragraph to which I wish to direct attention is the following:

> The Prime Minister has said that Lord Halifax asked us to make a "commitment", to fall in line, in any event, with a common policy for the commonwealth in all matters of our external relations.

I wish to say that at no time in any place have I made the statement that Lord Halifax asked us to make a commitment on the lines which are set forth in that statement, and I challenge Mr. Bracken, from wherever he may be—

Mr. HANSON (York-Sunbury): Don't worry about that. You will know where he is soon enough.

Mr. MACKENZIE KING: I challenge Mr. Bracken to give to this house, through his deputy the leader of the opposition, if he is his deputy as leader of the Progressive Conservative party, the statement which will justify the words which Mr. Bracken has used. I ask Mr. Bracken and I ask my hon. friend the leader of the opposition now or anyone else on the opposite side of the house to point out, in *Hansard* or in any public address or in anything that I have said anywhere, the statement that Lord Halifax had asked us to make a commitment with respect to matters of external affairs.

I have read Mr. Bracken's statement. In other particulars the statement or this press release appears to me to be but a belated reproduction of the policy I expressed to this house on January 31 last. I should not be doing my full duty if I did not again draw to the attention of this house and the country the fact that Mr. Bracken's attitude in not entering this House of Commons to debate on the floor of this house the great issues of the day, and to substantiate the statements which he has made outside, amounts to nothing more or less than a contempt for parliament itself and for parliamentary institutions. I hope that in this country through public opinion or otherwise, we are not going to permit indefinitely the affairs of the nation to be discussed in a way that may be taken as official and responsible by individuals who have no seat in any part of the country, rather than as between representatives of parties in the House of Commons who are face to face with each other and have to answer on this floor for the statements which they make.

Mr. GORDON GRAYDON (Leader of the Opposition): Mr. Speaker, I would say to the Prime Minister that he has strained himself pretty far in trying to find an issue upon which

he could again make some reference to the leader of the Progressive Conservative party. He has on nearly every occasion—

Some hon. MEMBERS: Oh, oh.

Mr. SPEAKER: Order.

Mr. GRAYDON: I shall have to appeal to you again, Mr. Speaker, for protection respecting my position as leader of the opposition. I used last night the word "bully"; I hope I shall not have to use it again, because all I am doing and shall continue to do is to demand my rights—

Some hon. MEMBERS: Oh, oh.

Mr. HANSON (York-Sunbury): A mechanical majority!

Mr. GRAYDON: —in putting our position before the country. The overwhelming majority in the house of this Liberal party, and the no less overwhelming minority outside, are totally inconsistent.

An hon. MEMBER: You will find out.

Mr. GRAYDON: Mr. Speaker, am I to be allowed to continue or not?

Mr. SPEAKER: Order.

Mr. GRAYDON: I did not interrupt the Prime Minister when he made his statement, and he has been gentlemanly and polite enough not to interrupt me as I have been making mine. Perhaps his followers might take an example from him.

Time after time the Prime Minister has attempted to find some inconsequential reason or basis for directing an attack upon the leader of the Progressive Conservative party.

An hon. MEMBER: Who is he?

Mr. GRAYDON: He is doing it again now. I do not know whether the Prime Minister is slipping, but it seems to me that in his really great day as a statesman he would not have attacked Mr. Bracken on quite so inconsequential a basis as he did to-day. Apparently this is the phrase he objects to:

> The Prime Minister has said that Lord Halifax asked us to make a commitment, to fall in line, in any event, with a common policy for the commonwealth in all matters of our external relations.

Mr. MACKENZIE KING: Does my hon. friend say that that statement is true?

Mr. HANSON (York-Sunbury): Just keep quiet.

Mr. GRAYDON: The Prime Minister has made his speech.

Mr. MACKENZIE (Vancouver Centre): The third leader is speaking now. How many leaders have you got there?

Mr. GRAYDON: Perhaps I, too, could get into this debate between the hon. member for York-Sunbury and the Minister of Pensions and National Health (Mr. Mackenzie). But what I want to say is this. The Prime Minister knows very well that the actual effect of the statement he made on a previous occasion was the effect which is conveyed by the statement made here by Mr. Bracken. He is cavilling, as he often does in times of adversity and trouble, at certain words which are used, but the Prime Minister cannot avoid the consequences, either by questioning me, or Mr. Bracken, or anyone else; because there are the facts, and the facts remain to be read by the public from time to time. The public are getting a little tired—

Mr. FRASER (Northumberland): —of Bracken.

Mr. GRAYDON: I would say to the hon. member for Northumberland, you people are not so tired but that you want him closer to you than ever.

So far as the public are concerned they believe, and I think properly so, that the job of prime minister of this country is, as my right hon. friend told us so eloquently and forcibly on a previous occasion in this house, in the midst of the war-time period to keep his eye and the government's eye on the ball, as Mr. Churchill suggested. If he does this he will have a large enough job on his hands: perhaps so much of his time will be occupied with the war that he will have to keep both eyes on the job of winning the war, and not one eye on trying to make plans for John Bracken or anybody else. I rise at this time only to say to the Prime Minister that I am amazed and appalled that he should pick such an inconsequential thing as this, the matter of mere wording in a statement as an excuse to make another attack on the floor of this house upon a great Canadian, who—and I say this without unnecessarily reflecting upon the Prime Minister—will measure up to the stature of any living Canadian.

INCOME TAX

QUESTION OF EXTENSION OF DATE FOR FILING OF 1943 RETURNS

On the orders of the day:

Mr. G. K. FRASER (Peterborough West): I desire to direct to the Minister of National Revenue a question of very urgent importance, particularly in the riding which I represent. In order to explain it more fully I shall, if I may have permission, read this letter:

> We would ask that you endeavour to obtain an extension in connection with the filing date

of T-1 General 1943 income tax forms. As it stands at present, the last day for filing this return is April 30.

This office is swamped with clients, who are unable to complete their returns, and with experienced help unobtainable, it is impossible to handle the rush by April 30 with our present staff. This condition is general.

I have similar letters from a number of other people in Peterborough. It is impossible for them to run down to Kingston, over seventy-five miles away, and secure advice from the income tax office there; and Peterborough, being a large industrial city, contains a great number of income tax payers. I wonder if the minister could extend the time for filing this return?

Hon. C. W. G. GIBSON (Minister of National Revenue): The date for filing the returns is set by statute at April 30. Every year we get requests from people who have left to the last minute the completion of their return and find difficulty in preparing the return in the last few days. Individuals have from January 1 to April 30—four months—in which to get their return completed and filed. Nearly always, no matter what date is set, there are requests for extensions. But there is no intention of extending the time for filing the return, although an extension has been granted until August 31 for the payment of the balance owing on last year's tax.

Mr. FRASER (Peterborough West): In regard to that, may I say just a word. The minister has said that these people have had since the first of January. I wish to correct him. Many of those who have to pay income tax have not had their proper returns from the firms until a few weeks ago.

BUSINESS OF THE HOUSE

QUESTION AS TO CONSIDERATION OF REPORT OF SPECIAL COMMITTEE ON REVISION OF STANDING ORDERS

On the orders of the day:

Hon. R. B. HANSON (York-Sunbury): If the Prime Minister has recovered his lost temper, may I venture to ask him a question on the business of parliament and the house. There has been on the order paper since March 7, under the heading "Motions", the following item:

Further consideration in committee of the whole of the report of the special committee on the revision of standing orders.

I had intended to ask before the Easter recess as to when this item was to be disposed of, but, hoping that the government would call the order, I refrained from doing so. I am now impelled to do so because of the leading editorial in yesterday's Ottawa *Journal*, in which, I think it is fair to say, the writer commends at least three of the major recommendations of that special committee and calls attention to the failure to implement the report of the committee. I now ask the Prime Minister if he will be good enough to designate a day when we can discuss this important matter. I do not like to feel that the labours of that committee have been lost.

I desire to say, sir, if I may be permitted, that under your able chairmanship this committee did a lot of good work. It did not go so far as many people thought we ought to go, but the reason is quite plain—that we desired to protect the rights of certain minorities in parliament, and therefore we could not bring ourselves to recommend to the house that substantive rights which it has taken generations to acquire should be taken away. But we have, I think, brought down recommendations which are of great value and of vital importance, and I am therefore asking the Prime Minister if he would be good enough to arrange for a date when we can dispose of this report.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Before I answer my hon. friend's question, may I say just a word with respect to what he said in introducing it. My hon. friend was not in the house last night, or perhaps I would not have to repeat what I am about to say. I drew attention last night—

Mr. HANSON (York-Sunbury): I was home ill last night.

Mr. MACKENZIE KING: My hon. friend will realize that I should be the last not to understand why he would not be here in the evening. However, in a moment he will see the point I am making. I find it necessary at times to call attention to what I would describe as the tactics of the official opposition, and a part of their tactics is to create the impression that from time to time I lose my temper in this house.

Mr. HANSON (York-Sunbury): Perish the thought! We did not have it this afternoon!

Mr. MACKENZIE KING: I was going to say that I mentioned last night that on any occasion when the opposition take exception to what has been said by the government and begin to lecture the government they become very sensitive if we reply, they seem to feel that while they have the right to criticize, we have no right to take exception to their criticism, and when we do take exception to their criticism it is suggested that I have lost my

temper. I just want to make it clear, because I hear this phrase repeated over and over again, each time I begin to reply to hon. gentlemen opposite, "It is too bad, but the Prime Minister has lost his temper." That is part of their stock in trade. It is a pretty low order of stock at that. I am going to make it clear that when the press of hon. gentlemen opposite quote in headlines these expressions about the Prime Minister losing his temper, when there is no possible ground for a statement of the kind—

Mr. HANSON (York-Sunbury): That's good.

Mr. MACKENZIE KING: —except it be so to exaggerate as to make a situation ludicrous, while it may be all right to make these statements for the entertainment of the house, I do hope the public will not be misled by manoeuvres of the kind.

As to the more serious part of my hon. friend's observations, I am not sure whether the last part was really what his utterance was intended in the main to convey.

Mr. HANSON (York-Sunbury): I give you my assurance it was.

Mr. MACKENZIE KING: I thought perhaps he hoped he was getting in a shot for his party when he used the first expression on getting up.

Mr. HANSON (York-Sunbury): I would not be without guile in that respect.

Mr. MACKENZIE KING: My hon. friend is the most guileless creature in the house. But may I say that, with regard to the rules of the house, I share his view that we ought to take advantage of the work done by the committee, which I think was efficient and helpful, and have its report considered at a very early day. I would suggest Monday of next week.

Mr. HANSON (York-Sunbury): I am afraid I cannot be here.

Mr. MACKENZIE KING: Then I should be very happy to suggest—

Mr. HANSON (York-Sunbury): Any day following.

Mr. MACKENZIE KING: Tuesday, then. And please now do not ever afterwards say that I have not tried to meet the wishes of the opposition.

Mr. HANSON (York-Sunbury): True co-operation.

[Mr. Mackenzie King.]

HOUSING

QUESTION OF EXTENSION TO WINNIPEG OF HOUSE CONVERSION PLAN—MAY 1 EVICTIONS

On the orders of the day:

Mr. S. H. KNOWLES (Winnipeg North Centre): I should like to direct a question either to the Acting Minister of Finance (Mr. Ralston) or to the Parliamentary Assistant to the Minister of Finance (Mr. Abbott). I do so by request of the Winnipeg city council, made to me last Friday at a meeting of the council's committee on housing conditions. I may say, Mr. Speaker, that I was asked to raise this matter in the hope that it might obviate the necessity of the Winnipeg city council sending a delegation to Ottawa to wait on the government. My question has to do with the government's house conversion plan. In view of the serious shortage in houses in the city of Winnipeg, is consideration being given to extending to Winnipeg the benefits of this plan? Further, may I ask if the government will reply to the representations of the Winnipeg city council in this matter at an early day?

Mr. D. C. ABBOTT (Parliamentary Assistant to the Minister of Finance): My hon. friend, I assume, did not have an opportunity to give me notice of the question. I shall have to ask him to let it stand as a notice and I will endeavour to reply on Thursday.

Mr. D. G. ROSS (St. Paul's): May I direct a question to the Parliamentary Assistant to the Minister of Finance? In view of the critical situation in Toronto and other cities, so far as housing is concerned, seeing that thousands of families there face eviction in a short time—and the situation is getting worse—will the government immediately, or as soon as possible, bring in its low-cost housing legislation so that something can be done to meet the emergency in that city with the least possible delay? Will the government also arrange for priorities in man-power and material to correct the situation?

Mr. ABBOTT: I do not know whether that is a question or not. It is matter of government policy which will be announced in due course.

LABOUR CONDITIONS

WARTIME LABOUR RELATIONS REGULATIONS—ARRANGEMENTS WITH PROVINCES

On the orders of the day:

Mr. A. W. ROEBUCK (Trinity): May I direct a question to the Parliamentary Assistant to the Minister of Labour? In the wartime labour relations regulations there is provision

for an arrangement with the provinces, and I understand that negotiations have been in progress with regard to the adoption of these regulations by the provinces. Will the parliamentary assistant make a statement as to the progress accomplished?

Mr. PAUL MARTIN (Parliamentary Assistant to the Minister of Labour): The hon. member for Trinity was kind enough to give me notice of the question, and I am in a position to answer it.

To date, an agreement with one province, the province of Ontario, has been negotiated by the Minister of Labour for Canada providing for the administration of the wartime labour relations regulations, P.C. 1003, with respect to the certification of bargaining representatives for employees in industries covered by section 3, subsection 1 (b) and (c) of the regulations. Under the terms of the agreement a provincial labour relations board has been established to administer the regulations, the board being composed of a chairman, three representatives of labour organizations and three representatives of employer organizations.

In respect of the remaining eight provinces, negotiations of agreements are being very actively pursued. We are assured by all provinces, with three exceptions, that agreements will be completed bringing non-war industries ordinarily within provincial jurisdiction under the regulations. In the case of Alberta and Nova Scotia, I think I may say we have every reason to believe that the same course will be followed.

In the province of Quebec a provincial board will be established on a representative basis to administer the dominion regulations with respect to war industries; non-war industries will continue to be dealt with under the provincial legislation enacted prior to the coming into force of the wartime labour relations regulations, P.C. 1003.

UNITED NATIONS

RELIEF AND REHABILITATION ADMINISTRATION—IMPLEMENTATION OF AGREEMENT OF NOVEMBER 9, 1943

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved the second reading of bill No 84, for carrying into effect the agreement for united nations relief and rehabilitation administration between Canada and certain other nations and authorities.

Mr. VICTOR QUELCH (Acadia): Any measure whereby Canada can help in the rehabilitation of the devastated areas of the world, on as equitable basis as possible, will receive the full support of this group; nevertheless we do view with alarm certain suggestions that are being made—and I am not referring to mere rumours—that UNRRA is being used for the purpose of imposing undesirable economic conditions upon the nations benefiting under this measure. That mistake was made after the last war, and if it is made after this one it will be breaking faith with those people who have made the supreme sacrifice in this war. I say that for this reason: The winning of the war is not the final objective. It is a major objective that will have to be attained in order that we may go on to the final objective, which is the introduction of a peace that may have some permanency attached to it. The only type of peace that can have any permanency attached to it is one based upon Christian principles, one that will make it possible for the peoples of the world to live in the greatest degree of security and freedom from fear. If this is not done, if we allow discontent and poverty to exist in any part of the world, we are allowing an ember to smoulder that may in time burst into flame, thereby enveloping the world in another conflagration.

I wonder if we still stand by the declaration of principles known as the Atlantic charter. Do we still stand fully by sections 4 and 5 of that declaration? I wish to quote them now and to refer to one particular item of these sections. Section 4 is as follows:

> They will endeavour, with due respect for their existing obligations, to further the enjoyment by all states, great or small, victor or vanquished, of access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity.
>
> Fifth, they desire to bring about the fullest collaboration between all nations in the economic field with the object of securing, for all, improved labour standards, economic adjustment, and social security.

Section 4 states that this objective is to apply with respect to nations great or small, victor or vanquished. Apparently the agreement known as UNRRA has to a certain extent departed from that principle. While the agreement may not have departed from it, the resolutions passed at Atlantic City apparently have done so; because I read a statement in the United States newspapers the other day to the effect that at Atlantic City the British delegates, supported by the delegates of the United States and China, moved a resolution to the effect that enemy territory should pay for relief to the fullest possible extent. That motion was defeated, and the motion that Germany should pay to the full extent was passed. I notice that the Parliamentary Assistant to the Prime Minister (Mr. Claxton), stated yesterday that a resolution was adopted at Atlantic City providing that countries which are able to pay for relief

would pay for it. Then one immediately comes to the conclusion that those nations that cannot pay will receive it as a gift; but on the other hand, according to the resolution that was passed at Atlantic City, we now find that Germany will have to pay in full.

I am not one who is easily swayed by emotion about the rights of defeated nations. However I believe we must all agree that if in Germany after the war there is mass starvation amongst the people, amongst the women and children of that country, all they can do is to pay to the fullest extent possible; and if they are unable to provide sufficient relief for the people by paying to the fullest extent possible, then apparently we are going to deny them the necessary relief to take care of these people. It appears to me that that is a departure from the declaration of principles known as the Atlantic charter.

There is another matter connected with the resolutions passed at Atlantic City that has caused me a great deal of concern. It seems to me that some of these resolutions definitely limit the scope of the agreement known as UNRRA. UNRRA stands for the international relief and rehabilitation administration. The words "relief" and "rehabilitation" are used. According to resolution 12 I understand that the second "R" has in reality been struck out of UNRRA. I make that statement because I have read words to that effect in a number of United States periodicals. I should like to quote some of the statements that have been published. In the *Christian Science Monitor* of March 16 reference is made to resolution 12 passed at Atlantic City, and the following statement appears:

> The task of rehabilitation must not be considered as the beginning of reconstruction. It is co-terminous with relief.

The *Wall Street Journal* of March 20 made this statement:

> As defined by UNRRA and Congress, rehabilitation does not signify reconstruction.

The *Economist* of Dec. 4 said:

> The decision has been reached to take the second "R" out of UNRRA.

Therefore apparently UNRRA now merely stands for relief. It does not stand for rehabilitation of the devastated areas. According to the press, forty-one resolutions were passed at Atlantic City. Hon. members of this house have not been in a positon to find out what is contained in those resolutions. The statements in the press regarding resolution 12 show that the powers of UNRRA have been definitely curtailed. It seems to me that before the house is asked to pass upon this bill, the members should be given a chance to see what is in the resolutions passed at Atlantic City which definitely curtail the operation of UNRRA.

Unless devastated countries can get supplies of raw materials and machinery with which to start their industries they will continue to need relief for many years. Apparently UNRRA does not make any provision for providing the raw materials and machinery necessary to enable industry in those devastated countries to provide exports in return for their imports. One may well ask how the devastated areas can ever produce the necessary exports to pay for their imports. Is it to be a condition of receiving help under UNRRA that these nations shall become a party to the proposals for an international currency? It might be said that that is one way by which these nations can receive the necessary help. In that regard it is interesting to note section 4 of the Canadian proposals of the tentative draft proposals—

> The establishment of an international monetary organization is no substitute for the measures of international relief and rehabilitation which will be required as the war draws to its conclusions and afterwards; and in the view of the Canadian experts any monetary organization which is set up should not be called upon to finance transactions of this nature.

Therefore according to the Canadian experts these international monetary proposals will not be a method by which the devastated areas can be rehabilitated or by which reconstruction can be put into effect. Again I ask, by what means are those nations to receive the necessary help to put themselves on a self-supporting basis? Apparently the only alternative left to them, since it is not to be done under UNRRA, is long-term loans. When we recall the history of that type of policy, when we remember how for sixty years before the last war England made large and long-term loans to foreign nations and lost in the neighbourhood of sixteen or seventeen billion dollars as a result of those loans being repudiated; when we recall—and I am speaking from memory now—that the United States lost in the neighbourhood of eleven billion dollars on foreign loans between the two wars, I think we should agree that that is not a sound policy. Moreover, a policy of that type can result only in international friction. When money is lent to a nation to build up its industries, the policy works fairly satisfactorily until the time comes when the debtor nation seeks to repay the loan. When it attempts to ship its imports in payment of the interest and principal, the creditor nation immediately objects to receiving those imports because it brings about unemployment within its own country; indeed a high tariff barrier is erected

in order to make it impossible for the debtor nation to ship its goods in. The result, of course, is international friction and repudiation. I think most people will agree that to a very large extent this policy was responsible for the war of 1914, and to a certain extent for the war we are fighting today. If we are not going to use long term loans; if we are not going to use the international monetary proposals to provide this help, and I insist we should not, then I think the only sound and logical way to provide it is either under lend-lease or mutual aid. I believe the mutual aid bill should become a definite part of UNRRA, so that help may be given to bring about the rehabilitation and reconstruction of the devastated industries.

In the past this group has always given full support to the principle of mutual aid, and similar measures. We have given that support entirely on moral grounds. We have taken the stand that we are in this war with the other united nations and that it is our moral obligation to pool our resources in order to unite them against the enemy. We feel also that these policies should be continued after the war to extend help to those nations which have suffered as a result of enemy action. If such assistance is not given; if we allow those nations to remain on a standard of bare subsistence, in a state of relief, then I do not think it can be said that we are laying sound foundations for a world peace. Certainly it will not be a peace based on Christian principles. Therefore I should like the minister to explain just to what extent the resolutions passed at Atlantic City have made UNRRA a relief proposal.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I find myself to a very large extent in agreement with the hon. member for Acadia (Mr. Quelch), who has just taken his seat. I do not follow him in all his arguments, but I think we should go very carefully into the principle of this measure both now and when it is in committee. We are quite prepared to give not only full but enthusiastic support to the united nations relief organization in so far as it will assist in the rehabilitation of the nations now under the heel of Hitler or suffering from the extremities of war, and in placing the world on a saner, sounder footing than we have known in the past. Before we finally adopt a measure of this description, however, which is so wide in its implications, I believe we should have full discussion and a clear understanding of it. Since the war began it has become somewhat customary in this house to take for granted that Great Britain, the United States, and latterly Russia, the great powers, would more or less decide most matters; then we would get the decision and to all intents and purposes fall in line with what had been decided. I think that policy is wrong. We should give the great powers all the cooperation we can, but we should not forget that there may be circumstances in which the interests of the smaller nations may not be altogether the same as those of one or more or all of the great powers.

The principle of this bill, as I see it, and it so states, is to enable the government of Canada to give effect to an agreement for the establishment of a united nations relief and rehabilitation administration; and the method proposed in this bill is to empower the governor in council to do whatever may be proper and expedient in order to give effect to that agreement. Although when the bill was brought down the house was more or less under the impression that it was mainly for the purpose of authorizing an interim payment of $10,000,000, the adoption of this measure will in effect give the government very wide powers in regard to the agreement and the policies to be carried out thereunder. I followed with some interest the remarks of the hon. member for Acadia, and I want to emphasize what he said in regard to the purpose of the bill. As I see it, when this relief and rehabilitation organization was first set up most people thought it would be not merely a temporary relief organization but quite largely a reconstruction body. As the hon. member for Acadia has already pointed out, however, and as has been pointed out in certain newspapers, we seem to have departed from what many hoped to be the basic idea behind this organization. For example, President Roosevelt sent a message to congress last November, I think on November 15, in which he said that the agreements provided only a framework for giving first aid to the liberated areas. This work would be only a beginning of the tremendous job of aiding the war victims; the liberated peoples themselves would have to assume the greater part of this task. Other machinery and measures would be necessary to solve the long-range problems of reconstruction, but UNRRA could only lay a foundation for reconstruction. The latter part of what I have just said was the interpretation placed upon the remarks of President Roosevelt at that time in an editorial appearing in the London *Times* of November 16, 1943. The purpose of UNRRA, as I understand it, is definitely limited; I quote the words:

> . . . provide assistance in the resumption of urgently needed agricultural and industrial production, and the restoration of essential services.

It seems to me that the desire is more or less to limit the activities of this organization to urgently needed industrial and agricultural production; and various statements that have been made would seem to indicate that this now has become the main purpose of the united nations relief and rehabilitation organization.

Mr. MARTIN: The director himself said so.

Mr. COLDWELL: I think that is quite right. I am not sure, but I believe some slight amendment was made to the original proposal last autumn which also conveyed the same impression. In fact clause 11 of resolution 12, which was passed at the conference, says:

> The task of rehabilitation must not be considered as the beginning of reconstruction—it is coterminous with relief. No new construction or reconstruction work is contemplated, but only rehabilitation as defined in the preamble of the agreement. Problems, such as unemployment, are important, but not determining factors. They are consequences and, at the same time, motives of action. The administration cannot be called upon to help restore continuous employment in the world.

So that this has a limited effect. But while criticizing the limited effect of the organization I do not wish for a moment to convey the impression that in any respect we are opposed to Canada's participating to the fullest extent in this great relief and rehabilitation project. My prime purpose in drawing this matter to the attention of the house is to urge that, so far as Canada is able, we endeavour to widen the scope. I believe that is what the hon. member for Acadia had in mind. I would urge that we endeavour to widen the scope of this measure, so that it may be applicable to a larger number of people and lay a framework for comprehensive international planning.

Unlike hon. members to my left, I am not so much alarmed by some of the rumours that are going around. I feel that an organization in which we have associated powers with such diverse economic ideas and economic aims as have the United States and the Soviet Union, affords a measure of protection to those of us who might otherwise feel that an attempt would be made to use this relief and rehabilitation organization as a club to impose upon the world any particular type of social, financial or economic system. I readily agree that such a danger might lurk within some such organization. But it seems to me that when we find associated within the organization, and participating in its activities, nations with such diverse economic and social views, adequate protection is ensured.

I should like to make one further statement about the widening of the powers of relief afforded under this measure. The settlement of peoples and the assistance given to peoples are largely confined to certain groups. For example, as I read the agreement, Chinese refugees will not participate to the same extent as will refugees from Europe. I believe we should see to it that so far as possible we treat all peoples alike, and bring all within the benefits of this measure.

Canada's contribution to UNRRA, amounting to one per cent of our national income, would, if our income were the same as that of last year, amount to about $90,000,000. Is that about the correct amount?

Mr. CLAXTON: The amount is not known. It may be $75,000,000.

Mr. COLDWELL: I am making my estimate from last year's figures.

Mr. CLAXTON: It is for the year ending June 30, 1943, and that makes the calculation rather difficult for us.

Mr. COLDWELL: For purposes of this discussion we will say the amount, mainly in goods, would be a maximum of $90,000,000. During the war we have given to Great Britain, and latterly to the united nations, a gift of a billion dollars' worth of supplies a year. The amount may be less this year, but it will still be a substantial sum. I have always felt that we in Canada have an obligation to the peoples who have been under Hitler's heel and who have endured the scourge of war. That was brought to my attention as it was never brought before when the parliamentary party visited Great Britain two years ago. Only this morning we heard a lady say how tired of blackouts, and of the other conditions which caused them great misery and distress, the people of Britain were becoming.

We in Canada have been probably the most fortunately situated of all the peoples engaged in the war—perhaps, indeed, of all the peoples on earth. We have not within our own borders seen the scourge of war. We have had to make very few sacrifices of any kind. Our rationing has been such that we have had a plentiful supply even of the rationed commodities. And it seems to me that as a Christian and a democratic country we have an obligation to other peoples who have suffered because of the war. I know that at the moment, because of the difficulties connected with sending food to the suffering peoples of Europe, and the danger that such food would be used merely to assist Germany —indeed, might even prolong the war—no attempt is being made to feed many of the starving women and children in Europe. When the war is over we must endeavour to see to it that as a Christian country, in the exercise

not of individual but of national Christian charity, we take our proper share in caring for these peoples. In this measure we are doing the least that could be expected of us. I should like to see more being done.

From the earliest possible moment I should like to see this programme administered by the civilian organizations. Provision, it is true, is made for that, but Canada should endeavour to see to it that the programme is not used in any way whatsoever as a sort of military tool for the preservation of order. As I said a moment ago, because of the peoples who are associated under the UNRRA agreement I do not think we need fear that it will be used as a political weapon to promote any particular type of political establishment in countries released from Hitler.

There are other points I should like to advance, but I believe they might be discussed more properly as we proceed with the bill. While we offer these suggestions, we welcome the measure. We welcome the setting up of this organization, in an attempt to feed the distressed peoples, and to do other things for them as well. We believe this measure is a step in the right direction. It is our hope that it may be the foundation of a finer type of world citizenship, in which the world may be considered more of a unit in relation to the production and distribution of the good things with which it is endowed. Canada should feel that she has some responsibility for the nutrition, the social and health conditions of the natives of the islands of the seas, and of other parts of the world, realizing that no nation can be permanently prosperous, happy or progressive unless it joins with other nations in bringing progressiveness, health, nutrition, prosperity and adequate standards of life to all peoples. If we have learned one thing from these two wars, it is I believe that none of us can live alone, that we are all part of a great world community, and that what injures one part of the community will inevitably injure all.

Mr. LIGUORI LACOMBE (Laval-Two Mountains (Translation): Mr. Chairman, I am not in agreement with the views of the hon. members who have preceded me regarding the discussion of the resolution that is now before us. If the government had taken the necessary action to protect the family, and promote education, agriculture, commerce, civilian industry, and in a word the whole economy of the nation, they would not introduce such a measure today. Despite our warnings and protests, they have disorganized the home, not only in permitting but in encouraging as much as they could the employment of mothers in war industries. That is one of the most grievous mistakes that the government have made. They have struck at the very heart of society, of which the family is the living cell. Through widespread propaganda they have enlisted thousands and thousands of women. They have spent for war more than fifteen billion dollars. They have given billions of dollars of the ratepayers' money to nations which are a hundred times wealthier than Canada. They have, through their action and their mistakes, brought about the great exodus of young farmers toward the cities or kept those young men in the army to the prejudice of argiculture which is so necessary to the army and the civilian population. They now want to spend ten more millions in gratuities and gifts. When will there be an end of such squandering? Taxes and loans cannot go beyond a certain limit. Have we not had a surfeit of broken pledges? War expenditures are reaching terrific proportions. Those who have recently heard the governor of the Bank of Canada have been struck with consternation. That is a bottomless pit in which our whole economic structure is being engulfed. But that does not trouble the government. They keep on spending billions and billions. They launch loans with endless figures. Our economic status would be so easy to maintain, if only the government would administer with thrift, and protect our families, our trade, our agriculture, our industries and our whole economy. It would be so easy if only we stuck to a policy of common sense. You can build up all the departments in the world, all you will do is aggravate the situation, if you are not reverting to a policy based on sound economics and social justice.

At the very moment when the government is ready to squander public funds and to plunder the treasury, as well as to rehabilitate everything, they promote delation in Canada. They have ruled that, under penalty of fine or gaol, I will have to denounce my own son or my employee to military authorities, if my son or employee has not complied with the wartime rules and regulations or the mobilization act. Here is an infamous and abject measure, worthy of spies and traitors. And it is the situation in all its bitter reality. The government is bound to show the citizens how to become adept at felony and treachery. The overburdening debt, the unbearable taxes, the billions that they spend as if it were their own money, the ten thousand million and over loans that are following one another; all that is nothing at all. The government exact the blood-tax, and in the most hypocritical and brutal way. Mr. Chairman, never has the Borden government, which was

pilloried for twenty-five years by the Liberals, shown such extravagance. Never did the Conservative government thus pledge the whole economic future of the country. The cost of the last war was slightly over one billion dollars. And I still hear the death sentences pronounced against the Borden government by a howling mob, tragic jokers of whom I find here a few survivors and a few disciples worthy of such deceit.

The Borden government had set up in all constituencies of the country exemption boards for essential farm workers. Not a single one was enlisted against his will. To-day, notwithstanding the deferments granted, the farmer is called over and over again to appear before medical revision boards. This is how the money intended for the prosecution of the war is spent, in part, either in gifts to wealthy and powerful nations or in useless appeals by certain classes of men called up by the armed forces and in medical examination fees, or for the maintenance of the most incompetent bureaucracy and the most haughty and ignorant boards of all times. Let the government continue on the rock-strewn path where they have ventured and they soon will have to answer to the people whom they have betrayed.

I said a moment ago that during the last war not a single farmer was enlisted against his will. What has happened under the present government?

As early as the late summer of 1940, all young farmers were required to report to military camps for one month of training. This period was later extended to four months. Heaven knows how many of these youths are still in the army. There are thousands and thousands of them. Let us not compare the present conscription set up to that of the last war. I know something of it since I was conscripted during the previous armed conflict. The Borden government was more sincere and more honest than the present administration. When they enacted conscription, it was not in a disguised and dishonest manner as the government of to-day has done. Our present government have violated all their promises and undertakings. Therefore, although I may be favourable to certain parts of this resolution, I can neither vote for it as a whole, nor for a single cent of the ten million dollar appropriation requested.

Mr. GASPARD FAUTEUX (St. Mary): Mr. Speaker, on January 6 last, Mr. Eugene Staley, member of the staff of the United Nations Relief and Rehabilitation Administration, made a statement in such eloquent and at the same time concise and expressive terms, that I feel I cannot do better than open these remarks by quoting it:

> More than five hundred million men, women and children are under the despotic rule of the axis in the occupied areas of Europe, Asia and the islands of the sea. Some are starving; many more are suffering from serious malnutrition. Malnourished people are an easy prey to disease. Supplies of clothing, and soap, both essential not only for comfort but also for the prevention of disease, are seriously depleted in the occupied areas. Millions of people—refugees, prisoners of war, labourers forced to work for the axis war machine, are separated from their homes. Estimates of the number of such "displaced persons" run to twenty million in Europe alone, and to forty million in China.

A little later, at the end of February, Mr. Abraham Feller, general counsel of the same organization, said:

> When the guns cease firing in Europe and in Asia, the world will have before it an appalling spectacle of human misery and material devastation. There is little need to paint this spectacle for this audience, to marshal the statistics of horror, or to pile adjective upon adjective in the attempt to describe what is really indescribable. You know full well that the hunted, and the homeless, the refugee, the forced labourer, the men and women in concentration camps, the mothers who witness the gradual starvation of their children, that all these hostages of the enemy must be freed and redeemed.

The reactions of men and women to such statements as these can be divided into three broad general classes: "How awfully sad," "So what?" and "What can be done about it?"

The first group I should be inclined to dismiss once and for all as hopeless. I may be wrong in that, as I may very well be terribly wrong in regard to many other things. Still, feeling as I do about group No. 1, I will set them aside. If anyone else knows what to do about them, I shall be glad.

The second group is perhaps at the present time the biggest, and it is, as I will try to show later, our greatest difficulty and our biggest task to convince those people that this is a matter which intimately concerns them in their business, in their jobs, in their private family life.

The third group may be subdivided into those who ask, "What should they do about it?", those who ask "What should we do about it?", and the perhaps rather limited number who at once begin to wonder, "Is there anything that I can do about it?" In the latter category were the men who put their heads together and burned their last ration of mid-

night oil, devising the programme which is to be carried out, if all goes according to plan, by the organization now generally known by the shortened title of UNRRA. Most of us, however, are still young enough to remember vaguely what our professors in logic and philosophy told us about the dangers of reasoning from the particular to the general. As UNRRA is definitely a particular phase of a very general problem, I think, therefore, we would be well advised to take a brief glance at the general problem first, and then with that in view, give detailed attention to this particular phase.

UNRRA is destined to be a sort of connecting link between what we are at the present moment doing to win the war and what we hope to do to win the peace, and to create such a peace that we shall have no losers, nothing but winners all over the world. We shall never be able to agree as to the connecting link unless we can agree on the big problem to which it leads.

The after-war problem divides into two sections, one that will face us at home, and one that has to be dealt with abroad. These are really just two different phases of the one and only problem, but we may have difficulty in getting all our people, or all the people of other countries, to realize it. If China's problem is that her people are starving because they cannot get grain, and if Canada's problem is that her people are starving because they cannot get rid of their grain, there is a direct association between the two problems. But it is hard to get a mining prospector in North Bay to realize that he may be down and out and unable to find a fresh grubstake, because a million people are starving along the Yangtze valley; nor would it be easy to get the starving Chinese to realize that the fact of a mining slump in northern Canada was in any way responsible for their plight.

And yet, if we are to get a solution of this problem, we must have all the countries of the world participating in it. Otherwise, it will not work. Because as soon as one little wheel goes out of gear, the whole clockwork goes wrong. And we cannot have Canada cooperate whole-heartedly in a world-wide programme unless and until the big majority of about five million adults in this country have agreed on it. And to get them to agree, even on the general principles, you must make them understand the definite economic relationship between the starving Chinese in the Yangtze valley or, if you like, a million starving workers in Czechoslovakia, and the unemployed miner in Sudbury or a down-and-out prospector on the shores of Great Bear lake.

Those of us who realize the intensely growing interrelation between national and international problems the world over, however, realize that the victim nations, the ravaged nations, must be helped back on their feet, because there is not a chance in the world of Canada going ahead to steadily increasing happiness and prosperity if half of Europe is in the depths of economic misery and despair.

As an American writer, addressing these words to citizens of his own country, has well said:

> The cost of participating with the united nations in civilian relief, in comparison with the cost of any alternative course, is almost insignificant. One consequence of failing to do so would be the lengthening and protraction of the period of paralyzed and stagnant trade. Each month that European and Asiatic markets are unable to buy our goods costs us millions of dollars. The second consequence is that fighting would not stop with the armistice. We would be setting the stage for world war No. 3.

It is in the light of these considerations that some forty-four nations, belonging to the group we know as the united nations, met at the White House at Washington and signed the agreement whereby was created the United Nations Relief and Rehabilitation Administration, the destiny of which is to follow up the armed forces in their advance in Europe and in the far east, and bridge the gap between enemy occupation and independent, prosperous civilian administration.

UNRRA does not propose to take on the huge problem of creating a stable world, a world in which peace will prevail, the world which President Roosevelt was looking forward to when he spoke recently of a "common determination to build for the future a world of decency, and security and above all, peace." That is a problem for which we must prepare, but which cannot be handled now. The essential factors in the problem are not yet known. Many of them will not be known until the enemy has ceased to be the invader and the conqueror anywhere in the world; until he has become the invaded, the conquered, the beaten dog asking for mercy and relief. UNRRA is created to deal with the immediate problem of bringing urgent needed relief to peoples who have just been freed from the conqueror's yoke.

At the great conference which representatives of the united nations held at Atlantic City to lay the foundations of this work, the scope of UNRRA's activities was defined in a resolution which I will read to you:

> The supplies and services of which the administration will seek to ensure the provision fall under four heads:
>
> 1. Relief supplies: essential consumer goods to meet immediate needs, such as food, fuel, clothing, shelter, medical supplies.
>
> 2. Relief services, such as health and welfare, assistance in caring for and maintaining records of, persons who, by reason of war, have been

displaced from their homes and in agreement with the appropriate governments, military authorities or other agencies, in securing their repatriation or return.

3. Rehabilitation supplies and services: materials (such as seeds, fertilizers, raw materials, fishing equipment, machinery and spare parts) needed to enable a recipient country to produce and transport relief supplies for its own and other liberated areas.

4. Rehabilitation of public utilities and services, so far as they can be repaired or restored to meet immediate needs.

In this way, UNRRA will follow closely on the heels of AMG, the allied military governments, which organization, military in nature, provides for the peaceful administration of territory which has just been relieved of enemy occupation, seeking to make use, whenever possible, of the then existing local authorities and local civilian organization. UNRRA will step in only when the military authorities think it wise, and only in full cooperation with them, to take over the job of bringing to the civilian population what they most urgently need.

As soon as the military authorities hand over the problems of the civilian population to UNRRA, there will be certain things that will have to be done immediately. It may be presumed that the military authorities and the AMG have already been busy with the work of distributing free rations of bread, possibly some supplies of clothing. The military doctors and hospitals have done some of the most urgent medical work among the undernourished, physically feeble civilian population. They, however, must pass on to immediately needed work in face of the enemy. UNRRA must now get down to the task of seeing that the civilian population can be permanently and regularly supplied with what it needs and, still more important, put as quickly as possible in a position to supply itself. I stress that last point seriously—"put in a position to supply itself."

One thing we do not want to do in Europe or in Asia, under any circumstances, is to establish any sort of world-wide system of direct relief. I have no need, I am sure, to go into any details, before this house, as to the evils of direct relief. We know too much about it already. But I may take a moment to point out that when you face a people that has been in practical slavery for four or five years, and has had its moral and physical resistance lowered by persistent malnutrition, unsatisfactory housing, insufficient clothing and brutal terrorization, it would not be a difficult thing to educate them down to a condition of permanent dependence by just handing things out to them and accustoming them to look to the overseas Santa Claus to keep on sending them manna from heaven. We know how easy it was to educate Canadians down to that standard, so I am casting no stones from my glass house when I say that it would be still easier to do so with peoples who have been through the agonizing experiences of the past few years in Europe or Asia.

We must feed them for a few days and then start them feeding themselves.

Let us consider now the situation likely to face us when we liberate a section of, say, Europe from German domination. If the Germans have had time to retreat slowly, we shall find everything useful destroyed. Millions of people will want water, clean, sterile water safe for drinking, and be unable to obtain it because their waterworks plants will have been destroyed. UNRRA will not be able to build brand new aqueducts and filtration plants for them. But it will, with their help and ours, be able to fix them up with temporary equipment to bring them water from reasonably safe sources, and with chlorination equipment to render the water bacteriologically safe, until such time as they themselves can acquire adequate equipment and rebuild their water plants. When that time comes, if the liberated peoples have a reserve of American or Canadian dollars stored away somewhere, perhaps a reserve in this country that has been stored here since the early days of the war, they will buy the machinery they need in this country and UNRRA will simply give all the help it can to see that they get delivery as quickly as possible; may perhaps provide them with technical help and guidance in rebuilding their plants.

If the country recently delivered from enemy hands was an industrial one, its industries will probably have been wrecked, either deliberately by the enemy or by the actual fighting from house to house and street to street. They will need some machinery at once to get their industries going again, either for industrial production or, alternatively, as part of the united nations war industry producing war equipment. And later, if they are not to be dependent on us for ever for their supply of machinery, we must see that they get the machine tools with which to start making their own machinery.

Their farm lands have lain idle for years. They have in many places undergone the scorched-earth policy twice, or even oftener. Either we resign ourselves to sending them farm produce for an indeterminate period, which would be "direct relief" again, or else we must get their farms back into production quickly. The latter proposal implies getting them supplies of seed, of fertilizer and of farm

machinery. It may also imply help in organizing locally, so that farm machinery sent over from this continent may be used collectively on many farms.

Again, millions of people have been taken from one part of Europe and carted away to other parts, hundreds of miles away from home, to work in German munition factories. These people want to be sent home as soon as possible. A big organization will be needed, in which UNRRA will cooperate with local authorities in sorting them out. But they cannot be sent home until transportation facilities are available, and the enemy will have pulled up the railways, destroyed the rolling stock or stolen it. The military authorities will repair enough to make the railways usable for military purposes. UNRRA will help the local civilian authorities in completing the repair job, so that people may be transported back to their homes, when and if it becomes geographically possible. To that end we shall have to provide them with rails, locomotives and rolling stock to begin with, and later machine tools with which to make more locomotives and rolling stock for themselves. If this sort of thing is not done on a systematic basis, with proper organization carefully worked out in advance, it has to be done anyhow, sooner or later, by someone, and will cost the whole world, Canada included, a hundred times more when done later and by hazard.

A practical example of how the presence of a well prepared organization can work wonders by prompt intervention is found in the case of the Tunisian olive crop, which was saved, soon after the allied troops entered that country, by the intervention of the Office of Foreign Relief and Rehabilitation, a United States agency which preceded UNRRA. The crop was on the verge of being lost because the olive farmers had no cloths to spread on the ground, to catch the olives as they were shaken from the trees. The American agency had big stocks of cloth in North Africa accumulated for supplying clothing and the like in relief operations. They brought this cloth out and put it at the disposal of the olive farmers, and the crop was harvested. That saved, for the markets of the world, an enormous supply of olive oil—not a small matter in view of the shortage of vegetable oils these days. From the pressing of the olives there remained a residue of fat which was available for the making of soap. In North Africa the local soap industry depends on the olive industry for its fats. Skin diseases are very prevalent in North Africa, and one of the most urgently needed supplies to combat them is plenty of soap. So that if the olive crop had not been saved, many cargo ships would have had to be diverted from the transport of war supplies to cart soap and disinfectant supplies to North Africa; the shortage of vegetable fats in North America would have been still more acute than it is, and a large part of the agricultural population of North Africa would have been in the depths of despair from the failure of its crops. That is only a very small example of the things that UNRRA will have to do when the enemy troops begin rolling back in Europe and Asia and conquered populations become free again.

Now, the natural question that arises in everyone's mind, I suppose, is "What is it going to cost us?" Since in the opinion of the highest authorities in forty-four fighting nations it is a question of whether democratic civilization survives or not, some people might be inclined to say that the cost does not matter. We have to pay or go under. Or they might look at it like the women in a recent cartoon, "Quit looking at those income tax papers. We can't afford it anyhow." But the most intriguing feature of that, to my humble mind, is that we can easily afford it; in fact, it is a mere bagatelle. I have seen official figures to the effect that the united nations will subscribe together about two and a half billion dollars to carry out this work of providing the victim nations with their immediate needs, and helping them get on their feet and become able to take care of their own needs. That figure is based on the decision taken at the Atlantic City meeting, that participating nations should tax themselves one per cent of their national revenue for the year ending June 30, 1943. I understand Canada's contribution is to be between $70,000,000 and $90,000,000.

After all, I recall that Canada has on two occasions contributed a billion dollars to the cause of the united nations. And I have yet to meet a Canadian citizen who is one cent worse off for it. I have yet to find a Canadian who was better off in the years when Canada did not give anything to that cause than he is now, unless misfortune has hit him from some other source entirely unconnected with war finance. The dominion government is having as hard a time preventing people from spending their money foolishly and unpatriotically to-day as it ever had before the billion dollar annual contributions were inaugurated. There seems to be a general feeling that if the Dominion of Canada had kept two billions of dollars in its own coffers, the people would not have had any more money to spend, Canada would not have been any richer; nobody would have been any richer, and nobody would have been any better off. How that works out, not being a trained economist, an international banker or a chartered account-

ant, I do not know. I am quite prepared to concede that perhaps the economists, the bankers and the accountants do not know either. All the other sciences have outrun their exponents to such an extent that the leading men of science have little or no idea how they accomplish the marvels of science which they do accomplish. I read the other day that no one in the medical world really knows how penicillin and the sulpha drugs accomplish their wonders. They only know that they do. As good old Galileo said: "Se muove." It may be contrary to all sense and reason, but it works. And I suspect that the science of economics has also progressed so far ahead of the economists that they do not know how it works, and are having a hard time realizing that it does work.

It is, of course, an interesting point, that the annual billion dollars was never given in money and that the $70,000,000, or $90,000,000 will also never be given in money. According to the Atlantic City agreement, the contributing nations are supposed to provide only ten per cent of their contribution in available foreign exchange. The remainder will be spent in the contributing country, buying the goods which that country produces and which UNRRA will need for the relief of newly-delivered nations. That means that a great deal of Canada's contribution will in reality be in grain and flour. Now the grain is already in the elevators. It is only a few years ago that farmers in the west were going bankrupt and stevedores in Montreal were on relief because we could not get rid of this grain. All right; now we are going to get rid of it. Should we not be happy? The farmers do not have to get the money for the grain; they have it already, or at least, if not money, they received its equivalent in credit when they sent their grain to the elevators. No doubt the government may have to strike from the credit side of its books an entry concerning millions of dollars which it credited to the farmers for having delivered the grain. Of course the government has to pay interest on that money, because when it gave credit to the farmers somebody gave credit to the government and now holds government bonds. But does anyone suggest that the government will be any less able to pay three per cent interest on $90,000,000 because it blacked out a debit entry in that amount in its books as against a number of farmers?

Without knowing all the technique of the science of economics, nevertheless I have a shrewd suspicion that disaster is more likely to hit the Canadian economic equilibrium through a too sudden cessation of gifts of two billion dollars a year than through the introduction of any single $90,000,000 gift into the dominion budget. Let me point out in more serious vein, however, that this is a measure of immediate military necessity, a contribution toward winning the war now as well as a step toward winning the peace afterwards. A high official of the organization has explained the military needs in this way:

> The advancing United States armies must have stable civilian conditions in their rear. Troops must be protected from epidemics of disease, which can originate in a malnourished population lacking adequate clothing, soap, medicines or means of repairing and restarting their own equipment for producing those things. The more quickly local production can be revived in liberated areas, the less will be the strain on military supply lines and the more adequate will be the materials and equipment that can be made available to our men at the fighting front. This will save the lives of our soldiers and shorten the war. Also the fact that prompt aid is known to be forthcoming to liberated peoples will encourage and inspire those still unliberated, increase their resistance and further weaken the enemy, hastening his ultimate military collapse. If a well planned and well organized and previously announced programme of relief and rehabilitation helped to shorten the war by only one week, the straight dollars and cents savings would be a tremendous return on the investment, not to speak of the much more important matter of the lives of our soldiers and of civilians that would be spared.

Then there is the long-range economic effect on supplying countries of helping people to help themselves. People always forget that helping other people to produce helps them to consume. In the long run, helping the farmer in central Europe to grow his own wheat again may make him independent of Canada's wheat, but by that time he will have become a considerable purchaser of Canada's newsprint, automobiles, farm machinery and heaven knows what else. Helping the people of central China to get on their feet and produce goods of world marketability will enable them to vary their rice diet with wheat bread and other cereals, and to buy from us the surplus wheat which central Europe perhaps will not want. The more every single part of the world is prosperous, producing and consequently consuming, the happier, busier and more prosperous every other part of the world must be in consequence.

I would not venture to offer advice, because I do not care to give advice or make suggestions to my betters, but my own reaction to this problem would be that never again can we take the attitude that if one wheel of the watch breaks down we must make all the rest of the watch go slow in order to accommodate it, and must concentrate on preventing the broken wheel from being repaired. If we want the mechanism of the world to work efficiently we must all cooperate to the limit in helping to rectify anything

that goes wrong in any part of the world, because a break-down in the machinery at one point must in the long run do harm to all the rest of the machinery. Or, as Hon. Francis B. Sayer has wisely expressed it—and with this quotation I think I should conclude these remarks—

> The issue before every nation of the earth to-day is whether or not the peoples of the world can learn to work constructively and whole-heartedly together for human progress and welfare. If humanity, with its proud dreams and high visions, can in the world of reality find no better way of settling its differences than by war, humanity is doomed. The present struggle has made manifest to all that totalitarian war aided by modern war has become so deadly and can be organized on so world-wide a scale, unless humanity exterminates war, war will exterminate humanity.

In other words, if the nations of the world will not learn to hang together they will hang separately. If we can learn to cooperate in the common interest of the whole world; if we can get the idea through to every day labourer in every Canadian city that his next week's wages depend largely upon the fate of a million peasants in central China or a hundred thousand shoemakers in Czechoslovakia, then we can build the kind of world of which President Roosevelt dreamed.

To the realization of that end UNRRA is merely a first halting step. UNRRA is significant because it is the first sharing of a major task which has both military and post-combat implications, the first sharing on a really international basis. Not only do all the united nations participate as members of UNRRA; the associated nations participate also. But if we dare not undertake it, God help us all.

Mr. G. H. CASTLEDEN (Yorkton): Mr. Speaker, the feature of Bill No. 84 to which there is the greatest objection is, I think, contained in that sentence in the explanatory note which states that the method proposed is to empower the governor in council to do whatever may be proper and expedient, or whatever it may think proper and expedient, for giving effect to the said agreement. I should like to read some of the powers and functions of the administration, as contained in article I of the agreement. Turning to page 2 of the bill we find that this administration shall have power to—

> . . . acquire, hold and convey property, to enter into contracts and undertake obligations, to designate or create agencies and to review the activities of agencies so created, to manage undertakings and in general to perform any legal act appropriate to its objects and purposes.

Then I read section 2 of that article:

> Subject to the provision of article VII, the purposes and functions of the administration shall be as follows:
>
> (a) to plan, coordinate, administer or arrange for the administration of measures for the relief of victims of war in any area under the control of any of the united nations through the provision of food, fuel, clothing, shelter and other basic necessities, medical and other essential services; and to facilitate in such areas, so far as necessary to the adequate provision of relief, the production and transportation of these articles and the furnishing of these services. The form of activities of the administration within the territory of a member government wherein that government exercises administrative authority and the responsibility to be assumed by the member government for carrying out measures planned by the administration therein shall be determined after consultation with and with the consent of the member government.
>
> (b) To formulate and recommend measures for individual or joint action by any or all of the member governments for the coordination of purchasing, the use of ships and other procurement activities in the period following the cessation of hostilities—

And I would ask the house to notice that the powers of the administration extend into the post-war period.

> —with a view to integrating the plans and activities of the administration with the total movement of supplies, and for the purpose of achieving an equitable distribution of available supplies. The administration may administer such coordination measures as may be authorized by the member governments concerned.
>
> (c) To study, formulate and recommend for individual or joint action by any or all of the member governments measures with respect to such related matters, arising out of its experience in planning and performing the work of relief and rehabilitation, as may be proposed by any of the member governments. Such proposals shall be studied and recommendations formulated if the proposals are supported by a vote of the council, and the recommendations shall be referred to any or all of the member governments for individual or joint action if approved by unanimous vote of the central committee and by vote of the council.

Canada is in a favoured position, so far as providing some of the essentials of relief are concerned, and she is anxious and willing to do her share in the relief and rehabilitation of a war-torn world. She is just as anxious and just as willing to do that as she is to find out the causes of wars, and to prevent their recurrence. Perhaps some of those basic causes may be found in the fact that the good things of the world have not been democratically spread around among the various peoples. We may learn a great deal from UNRRA. It is my belief that this should be done democratically. That being so, why do we have to perform our part in UNRRA by order in council? Does the government wish a continuation, in the post-war period, of the powers and controls it now has? Surely it will be realized that the War Measures Act was made necessary by the exigencies of war, when

immediate action was essential. I can see, too, that in certain phases of post-war activities there may be necessity for direct orders in council. But surely they should be brought before the House of Commons, and approved. Only those of an urgent nature should be passed, and even then a full explanation should be given—not just a report.

Surely the government does not fear the people in a matter such as that of providing relief and food for other nations. This democratic principle must be maintained, or we are fighting in vain. The dangers of a continuation of order-in-council government are too great to be ignored, and Canadians will not tolerate its continuance into peace time.

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, may I begin by stating that I know of no legislation to come before parliament which represents a more forward step in international relations than does the setting up of the united nations relief and rehabilitation organization to be ratified under the provisions of this measure. For the first time in all history nations are collaborating with a view to removing the causes of suffering and future wars in all parts of the world. For the first time since the beginning of the war; indeed, for the first time in history do we find the Soviet Union joined with other united nations, as well as with nations associated with the united group, in an effort to assure that when the sacrifices of the war are at an end, and when territories are retrieved, or taken back prior to the actual conclusion of hostilities, the responsibilities for the rehabilitation of peoples occupying distressed countries shall rest upon the signatories to this agreement.

As I see it, this measure represents a pattern of principles which might very well lead to the establishment of universal peace, through collaboration and cooperation. It assures post-war rehabilitation. I repeat it is the first time that the united nations and those associated with them have joined in the dedication of their respective nations to the principle that the welfare of all nations is the responsibility of all others.

I feel that we in this parliament have the opportunity and privilege of participating in implementing the arrangements which were made by the forty-four governments concerned, whereby will be established the first step to the parliament of man, the dream of generations of mankind, whereby international plans will be adopted having as their purpose the attainment of universal peace.

As I listened to the hon. member for St. Mary (Mr. Fauteux), particularly to the eloquent peroration to his speech, my mind went back to 1937 when, as a member of the Vimy pilgrimage, I sat with others in historic Westminster hall in London and there heard the then Prime Minister, Mr. Baldwin, expressing his hope that the future of the world would be one of peace, but with the warning that unless peace could be maintained civilization did not deserve to live and would perish.

It is my belief that this legislation represents the greatest step forward made within the last two years, a period of momentous events, and one which all will hope will culminate in a great world organization. There are, however, some matters in connection with the agreement concerning which I should like to have some information. I believe no one could be better qualified to give that information than the parliamentary assistant to the president of the privy council (Mr. Claxton), who was privileged to participate in the conference from which flowed the agreement now under discussion.

As the hon. member for Yorkton (Mr. Castleden) has said, Canada has a great interest in the implementing of the united nations relief and rehabilitation administration. It is set out in the preamble of the agreement that the purpose is that of granting "aid and relief from their sufferings, food, clothing and shelter, aid in the prevention of pestilence and in the recovery of the health of the people." In order to assure the type of life these peoples are to have under this agreement, the greatest contribution that can be made will be that of supplying agricultural products. For that reason Canada's interest, in an economic way, is considerable. Under the provisions of the agreement contributions are to be made by the various nations. The United States will make an estimated contribution of from $1,400,000,000 to $1,500,000,000; the United Kingdom one of between $300,000,000 and $400,000,000 and Canada one of between $75,000,000 and $90,000,000, making a total amount of from two to two and a half billions of dollars available, in the main, for the supplying of food and supplies to peoples in liberated territories.

The situation is well set forth in a booklet, "A Greater Canada among the Nations," by Mr. Lionel Gelber, wherein he says:

> When the guns are silenced, the gigantic agricultural resources with which Canada has been blessed will play a decisive part in feeding the hungry multitudes of Europe and Asia. As a matter of fact they should be second in importance only to those of the United States.

I think, Mr. Speaker, we should have the assurance of the government that in so far as Canada's contribution is concerned, the contribution of food products, and not currency, should be one of prime consideration. The

set-up is that a committee on supplies, of which a Canadian representative is chairman, will be in charge of distribution and of general policy regarding the provision and transport of supplies. We should have the assurance of the minister that Canada's contribution, apart from her currency contribution, shall be, in the main, agricultural products.

I read on now from the point at which I stopped a moment ago:

> Freedom from want in this sphere has two aspects. There is the short-run aspect of immediate relief and the long-run aspect of elevating the whole level of nutrition all over the earth. That the principle of mutual aid would be extended by Canada to relief, the short-run aspect, was announced on January 27, 1944. It was the other, the long-run aspect, which the representatives of the united nations assembled to discuss at their first general conference in Hot Springs, Virginia, from May 18 to June 3, 1943.

He goes on to point out that a Canadian was made chairman of an interim committee on food and agriculture and says:

> This was an acknowledgment of her leadership—

That is of Canada's leadership.

> —in the domain of food relief and nutrition. This clearly exemplifies the new, dynamic role she is getting ready to discharge in the post-war world.

For that reason I again repeat that Canada should be assured that the contribution that we shall make will be, in the main, one of agricultural products, to the end that our farmers will be assured in the post-war period a security of opportunity in world markets for Canadian agricultural products.

During the past year large amounts have been expended in connection with Mutual Aid. According to the last figures that I have seen, approximately $600 million has been expended for assistance under the Mutual Aid act. I think we should have a statement from the government as to the expenditures that have already been made under Mutual Aid and, in particular, as to the extent to which agricultural production has figured in the distribution that has already been made.

This bill is important as a stepping-stone on the road to peace as an indication of the degree of collaboration that there is between the united and associated nations. I was pleased last night to hear the parliamentary assistant say that in the conference that took place, which resulted in the agreement being signed, where difficulties might very well have arisen as between the great powers and the small powers, a spirit of sincere collaboration characterized the assembled representatives of those nations.

I intend now to refer to some of the sections of the bill with a view to securing information in regard to them. As I read the agreement, in its purport, it sets up a new type of league of nations, designed on a functional basis to assure the rehabilitation of the devastated occupied countries. It sets up a most powerful central committee composed of representatives of China, Russia, the United Kingdom and the United States of America. The dominating authority is the director general. We hear much to-day, Mr. Speaker, of the necessity for the sovereign nations giving up some of their sovereignty, but this is the first time, to my knowledge, that that has actually been done. It indicates something of the advances toward wider collaboration which have been made among the united nations and those associated with them since the outbreak of war. It indicates something of the sacrifices that they intend and are willing to make in the interests of world collaboration.

I read from article IV of the agreement:

> The executive authority of the united nations relief and rehabilitation administration shall be in the director general, who shall be appointed by the council on the nomination by unanimous vote of the central committee. The director general may be removed by the council on recommendation by unanimous vote of the central committee.

Great powers are placed in the hands of this director general. Once he is appointed by unanimous vote of China, the Soviet Union, the United Kingdom and the United States of America, he cannot be removed except upon a unanimous vote of the central committee.

It may be noted that the organization as detailed in the agreement is more elaborate, more complicated, and more extensive than that which set up the League of Nations some twenty-five years ago.

Under paragraph (c) of section 2 of article I the purposes and functions of the administration shall be, among other things:

> (c) To study, formulate and recommend for individual or joint action by any or all of the member governments measures with respect to such related matters, arising out of its experience in planning and performing the work of relief and rehabilitation, as may be proposed by any of the member governments. Such proposals shall be studied and recommendations formulated if the proposals are supported by a vote of the council, and the recommendations shall be referred to any or all of the member governments for individual or joint action if approved by unanimous vote of the central committee and by vote of the council.

This provision gives wide and, if I may say so, ambiguous powers, and I would ask the parliamentary assistant to explain their nature and intent. To what extent do these powers thereby granted interfere with or

abrogate the powers of this parliament and of the parliaments or other representative institutions of the other participating countries?

Then I refer to article V, section 1, which provides for contributions. It says, "Each member government will contribute to the support of the administration", and then follow a few words which are inapplicable. "The amount and character of the contributions... will be determined from time to time by its appropriate constitutional bodies." What does that mean? Does that mean that each of these forty-four signatory countries will determine for itself the amount of its contribution, that there will be no control as to the contribution which shall be made by nations, whether in accordance with population, resources or other considerations? That section by itself may have within it the germ of uncertainty and might, unless classified, very well cause dissatisfaction among the participating nations, in that it leaves to each nation the right of determining for itself the amount of its contribution. One can well picture the situation when the war is over and the influence of a common dedication to common ideals is ended; then difficulties and jealousies may arise, when one nation makes as its contribution an amount less than that of another nation with equal or almost equal resources and population.

As to the general principle of this bill, while it grants very large powers to the governor in council, discussion with regard to that phase may well be left until the bill is in committee. Personally I believe that altogether too wide powers are being granted under this bill, and that the exercise of authority should, as soon as the war is over, rest with parliament, not with the governor in council. I can appreciate the fact that during the war, when immediate action is necessary, the governor in council might well have to exercise the powers it has, whether under the War Measures Act or otherwise; but why should those powers be continued after the end of the war is something I find it difficult to understand. I realize that in taking this view one does not earn the popularity of the government. But to-day in this country there is an ever-increasing practice of surrendering on the part of parliament to administrative boards, to the governor in council, to bodies independent of parliament, rights which should be exercised by parliament, and although that tendency may be justifiable in time of war, it certainly cannot be justified in time of peace. As far as this bill is concerned, if I have the opportunity I shall move an amendment providing that the authority of the governor in council shall be applicable only during the period of the war and not beyond the termination of hostilities. In referring to the end of the war I do not mean the signing of the peace treaty, for to-day we all believe that the signing of a peace treaty may be removed four, five or even ten years beyond the end of hostilities, and by the end of the war I mean the actual conclusion of hostilities so far as Canada and the British commonwealth are concerned.

In saying what I have, I do not want it to be understood that I do not support the principle of the bill. Heartily I give my support to the first step which this parliament has made to the realization of the ideal of all the centuries, the achievement of peace, by each nation assuming as its responsibility the welfare of all other nations. It was stated in a recent issue of the magazine *Foreign Affairs* that this agreement represents the beginning of the international set-up which we shall see in the world after the war, whereby the nations comprising the council under UNRRA may establish in their various spheres of influence their own national police force, collaborating together instead of having an international police force, whereby the peace of the world will be assured.

This bill is one which, if properly administered, will do much toward affording a laboratory wherein the nations of the world will be able to work out a post-war plan for international security and economic welfare. For Canada to have the privilege of participation is a great honour. For Canada there are economic possibilities as well, if the government is prepared, in the administration of this legislation, to assure that our contribution shall be, in the main, one of agricultural production, whereby Canadian farmers, when the war is over, may have a share in the greater international trade which we believe will be established when the principles of the Atlantic charter are implemented.

Mr. PAUL MARTIN (Essex East): Mr. Speaker, in speaking for a few moments on this matter, I feel I should start where the hon. gentleman who has just spoken concluded. He began his speech by saying that the conference which provoked this bill was perhaps the most momentous conference since the war began, in terms of setting up some measure of permanency in the international organization of the world; and he concluded his speech by saying that if the opportunity was afforded him he would move an amendment to make the provisions of the bill applicable only for the duration of the war.

Mr. DIEFENBAKER: No, Mr. Speaker, if I may be permitted—only in so far as the powers conferred on the governor in council to act independently of parliament.

Mr. GRAYDON: He wanted to get rid of red tape and bureaucracy; that is all.

Mr. MARTIN: Even allowing for the refinement that the hon. gentleman has made, in view of the importance which he attached to the measure he will see how wholly negative the application of the bill would be if it were to be restricted simply to the duration of the war.

Mr. GRAYDON: He did not say that.

Mr. MARTIN: He did commend the bill as a step in the right direction. He took the same view as that taken by the hon. member for Rosetown-Biggar (Mr. Coldwell), who said that Canadians above all should be the first to give support to this kind of measure. He added that Canada was heavily endowed with the resources of nature and that our standard of living was sufficient to place us in the first line of those who should give support to this bill. I would say to the hon. member for Rosetown-Biggar, if he were in his place at the moment, that I trust he will repeat that remark instead of making many of the statements he has made throughout the country, sometimes in depreciation of this country's position in terms of its standard of living and in terms of what it affords in the way of opportunity to the masses of our people. I agree with him, of course, that Canada should lead as one of the great supplying nations of the world in regard to a measure of this sort.

It seems to me that the significant thing about the organization set up at UNRRA, to which this bill is related, is that it represents the collective effort of the united nations. At the conclusion of the last war the same kind of relief was provided through what might be called a one-man organization, the organization headed by Mr. Hoover. That was an effective organization, but it was subject to all the dangers of that kind of organization, and particularly subject to undue political influences, which this time, because this represents a collective effort, will not, I trust, apply.

The criticism levelled by the hon. member for Acadia (Mr. Quelch) and by the hon. member for Rosetown-Biggar in particular, in their two carefully considered statements, was that the bill, and that UNRRA itself, did not go far enough. It was intended merely to apply now to relief and not, as formerly understood, to relief and rehabilitation. What should be remembered is that the bill, as did the conference, deals with a situation which has to be faced at the moment, and while long-term programmes are desirable, the important thing is to deal with situations as they arise. Every hon. member knows the need for food and clothing, the need for health and medical supplies in Europe, and this is something which requires emergency action, and not action based upon the long term, although that, too, will be needed.

But just as the Hoover programme, just as the efforts of Doctor Nansen and others, prior to the setting up of the League of Nations, were gradually integrated so as to become a part of the League of Nations and of collective organizations generally, so it may be presumed, I think, that this work now begun in the emergency stage will become part of the permanent international organization contemplated in the speeches we have had by the leaders of the three great powers and by our own Prime Minister (Mr. Mackenzie King).

The hon. member for Lake Centre, when appraising the event, might have gone a step farther and praised the contribution made by Canada at UNRRA. He was not wholly correct in saying that UNRRA was the first of the patterns for the future organization of the world. He was perhaps correct in giving it a high place. Perhaps we should give the first place, though possibly not in terms of ultimate balance, to the food conference held at Hot Springs, which certainly did assist in setting the pattern. But UNRRA was, as has been said, a significant conference. It was, during the war, an attempt to set up what every thinking man and woman in this country and throughout the world must hope will ultimately be established among the nations, and Canada played a very special part at UNRRA.

I do not believe that this debate should conclude without some reference to the contribution made by Canada. The house will remember that some time ago, in the enunciation of the government's foreign policy, the Prime Minister laid down the principle which has come to be recognized and used as the principle of functionalism in international affairs. That principle was recognized at UNRRA and had much to do with the successful operation of the conference, and it is only significant, it is only fair, I think, to say that the Prime Minister's parliamentary assistant (Mr. Claxton) played a notable part at that conference, as indeed did Mr. Pearson, now our minister-counsellor at Washington, who has come to be recognized as one of the important men at conferences wherever members of the united nations now meet. So that I agree with the hon. member for Prince Albert—

Some hon. MEMBERS: Oh, oh.

Mr. MARTIN: —the hon. member for Lake Centre (Mr. Diefenbaker) rather, the

hon. gentleman who hopes to be the member for Prince Albert, in his appraisal of the significance of UNRRA. The world is a contracted one; the world is an interdependent one, and having in mind the tremendous sacrifice of treasure and property, as well as of man-power on the part of this country and of all other nations, we must regard this matter as one of the greatest importance. We are now going to build, I trust, successfully an organization among the nations of the world by which we shall again attempt to minimize the occasion of war. Now is the time to begin, and we have begun it in an auspicious way through the conference that has led to our considering this bill. In discussing this measure, therefore, I do so with the thought that Canada has not shirked its responsibility, first of all, toward the starving peoples of Europe and Asia; and more particularly has she played a leading part in the building up of an international organization without which in the long run we cannot hope to avoid the mischief of war.

Mr. S. H. KNOWLES (Winnipeg North Centre): I should like to join for a few moments in the favourable comments that have been made concerning UNRRA. I share in the thrill, if I may put it in that way, that has already been expressed, that in the midst of this war definite steps are being taken to meet the problems of the immediate post-war period. I also share in the thrill that something definite is being accomplished by way of getting together a large number of the nations of the world.

One might say that the endeavour to think in these terms goes back even farther than has been suggested by previous speakers. Some hon. gentlemen may think back farther than I do, but just now I am reminded that it was a significent moment when President Roosevelt coined the phrase "united nations" and suggested that we should think in the terms implied in those two words.

What I rose particularly to say is this. I hope that we in this house will realize the long-term significance of what we have done to meet the emergency of the present war, and what we are now doing to meet the emergency of the immediate post-war period. In connection with both of these situations we have recognized the need of joining together in a united effort. That united effort, so far as the war is concerned, has not been confined to military matters; it has gone into the whole field of things economic and is very well expressed in the mutual aid legislation of the United States and of this country. In these acts we have accepted the principle that every country should contribute what it has to meet the need of the moment. That is the principle upon which we have acted in this conflict, and it is playing a very real part in the victory we are sure to win. Similarly we are now carrying that principle into the immediate post-war period. We are conscious of the importance of providing food and other necessities to people who will be in dire need at that time. The whole idea underlying UNRRA is that the countries which have the goods should supply them and that they should be made available where they are needed. It is quite clear that this is the acceptance of the principle of world economic planning, and it is being accepted to meet an emergency in the immediate post-war period. As I see it, it is unwise to stress the word "emergency" too much. I look back to the thirties and feel that that period was just as much a period of emergency as the one through which we are now passing, except that we did not look at it in that way. Similarly I feel that the period after the immediate post-war period is over will likewise be a time of emergency in the sense that there will be with us a pressing problem, namely building up the kind of world we hope will come out of our present sacrifices. I hope that when that time comes we shall not discard the principles we have accepted and found to work so well in the war and in the immediate post-war period. In other words, one of the reasons why I am pleased with the development of UNRRA and am glad to join in the complimentary remarks that have been made is that I feel we are laying down a principle and establishing a foundation upon which we can build in the distant future after the immediate post-war years are over.

When that day comes it seems to me that we must think in terms of planning the world's production in the light of the productive capacities of the various areas and countries of the world and also in the light of the needs of all the people of the world. If we can carry the principle underlying UNRRA into a creative effort of that kind, future generations will look back and perhaps regard the setting up of this administration as even more significant than we realize at the present time. Therefore, without any hesitation I express my support of the general principle underlying UNRRA and consequently the general principle underlying this bill.

Nevertheless, I regret that the last speaker found it so difficult to understand the objections made by the two previous speakers to the continuance into the post-war period of the order-in-council technique. I hardly need to defend the hon. member for Lake Centre (Mr. Diefenbaker). He can do it fairly well

himself. But as I listened to his remarks I did not understand that he wished this legislation to terminate with the war. As I understood it, he was asking that when the war terminates the measure be altered or that we make provision now so that at that time matters connected with UNRRA will have to come before this parliament for its approval. I share the view in this connection expressed by the hon. member for Lake Centre and by the hon. member for Yorkton (Mr. Castleden).

I shall mention one or two things contained in the agreement which has been made a schedule to the bill and which I feel should not be left as matters to be dealt with exclusively by order in council. For example article X refers to the possibility of a country withdrawing from UNRRA. I do not feel that that power should be vested solely in the governor in council. We in this parliament, after we pass the bill, as we shall I am sure, are expressing our approval of this general principle, and as I have indicated, the extent to which I hope it will go in the years that lie ahead. On that basis I feel that the power to withdraw from UNRRA should not be a matter left to the governor in council. It is a matter that should be referred to this parliament.

I refer also to article VIII, which deals with amendments that may be made to the agreement. As the bill now stands before us, these amendments can be concurred in on behalf of Canada by our representatives under the direction of the governor in council. When we pass the bill in that form we are for all time, at least so long as the measure remains in force, conferring wide powers. I feel that these two examples, articles VIII and X, are matters which it would be well to reserve to this parliament. As a matter of fact, so far as these two matters are concerned, I see no reason why their control should not be left in the hands of parliament as a whole even now; here there is no necesity of waiting until the war ends.

I shall not take up the time of the house to go into other points in the bill or in the agreement, but I do feel that that point has been well taken. When the war ends I believe that we should give consideration in matters of this kind to the policy of bringing more of these important decisions to parliament instead of leaving them to the governor in council.

Mr. MARTIN: The hon. member should consider section 3 of the bill.

Mr. KNOWLES: The parliamentary assistant to the Minister of Labour is referring me to article III. If he wishes me to consider it he is likely to invite me to make some comment about subsection 3 of article III, although perhaps I should not go into that at this time. In view of the importance that Canada as an agricultural nation will play in the whole set-up of UNRRA, I feel that we may have some criticism to make of the policy of confining the central committee to so few nations, namely, the four great powers named in the agreement. If we are to move in the direction of a really united effort in UNRRA with respect to the war and the post-war period, and the future world we are trying to build, I believe we shall have to get over the notion that the four largest powers are going to run things for us. I am in accord with the sentiments expressed by the leader of this group on a number of occasions, namely, that Canada as the largest of the small nations should give a lead in seeking to make a place for these small nations in councils and administrations of this kind. I believe we should help to bring other small nations into the realization that there is a place for them in the councils of the world that we are seeking to establish, not just as inferior powers, but as equals.

At this time I should like to express my support of the functional technique to which reference has already been made to-day. We of this group have no hesitation in endorsing something that is good, no matter the source from which it comes. We believe on that basis we have something good here in that it is not simply a case of waiting until the war is over and then trying to draft something idealistic, but that we are here setting up an administration to deal with a specific matter. In so doing we are taking a definite step in the direction of achieving world peace. It was on that basis that some of us were pleased with the sort of thing the government was trying to do a short time ago in connection with post-war civil aviation. I shall have something to say about that a little later on to-day, if we come to deal with matters under the Minister of Munitions and Supply (Mr. Howe). So it is with other matters, particularly those relating to trade, to the production of foodstuff and the necessities of life—seeing to it that they are made available to the people who need them, planning with respect to our raw materials, and so on. The more we move in that direction, the more shall we remove the occasion for war and make possible the better world which we hope will come after this struggle is over.

Therefore, Mr. Speaker, I conclude my remarks by repeating that I hope we in this house will realize that the principle of united effort, which is good for the winning of the

war, which in UNRRA we recognize to be good for the immediate post-war period, likewise is good for the building of a better world after the immediate post-war period is over.

Mr. BROOKE CLAXTON (Parliamentary Assistant to the President of the Privy Council): Mr. Speaker, the bill we have been discussing will authorize the government to carry out the provisions of the agreement entered into by forty-four united nations and associated powers to establish the united nations relief and rehabilitation administration. All the speeches that have been made this afternoon properly emphasized the importance of that agreement; and with the possible exception of the speech of the hon. member for Laval-Two Mountains (Mr. Lacombe), I think all speakers agreed in principle with the agreement and the legislation. If it would meet the convenience of hon. members, perhaps when we are in the committee stage, I might answer specific questions that have been brought up in regard to details.

I suggest that UNRRA is of special significance as the first effort in the history of forty-four nations to join together to carry out a great human purpose; and as the first organization to be set up to represent the united nations and associated powers it carries our collaboration a further step forward in working together to lay the foundations of peace. The liberation of territories occupied by the enemy must be and will be carried out by the combined actions of the soldiers, sailors and airmen of the united nations in defeating the enemy in the field. The relief of liberated populations is a military necessity, and in the first instance will be carried out by the allied military authorities, who will decide when the time has come for UNRRA to take over the administration of relief.

The work of UNRRA represents the first step in the path from war to peace. It will provide relief for those nations that cannot help themselves. The purpose of UNRRA is to help nations help themselves. UNRRA is designed to fill an urgent, immediate, short-term need. We are planning now to bridge the gap between starvation and survival for tens of millions of people who have been crushed under the heel of the enemy, and to assist in restoring to their homes the twenty million persons in Europe alone who have been displaced by war. The object of UNRRA is to serve humanity, but the result will be in the interests of every country, including Canada. It is in the interests of every country that each should be restored to health and strength at the earliest possible moment. In helping the people of Europe and Asia to establish themselves, we shall be helping to restore conditions in which trade can be carried on as the basis of the prosperity of all nations. The work UNRRA will do will help to restore relations between nations that have been isolated by war. In providing assistance to liberated countries, we shall be assisting ourselves in a very real sense, by providing employment for those in Canada who produce the goods which will largely make up our contribution.

The agreement establishing UNRRA was tabled on January 28, and is printed as an annex to the bill. For the origin of that agreement, however, we must go back to September 24, 1941, when the interallied relief requirements committee was set up in London. The extent of the problem already had impressed the representatives of the allied governments with the necessity for starting to plan to meet it. In the last war relief had been administered under the supreme economic council set up after the armistice. The chairman of the food committee was the Hon. Herbert Hoover, who was also food administrator of the United States. He had direct charge of the administration, and the work of relief was largely carried on by the United States. Its costs were met by gifts from governments and individuals totalling $377,000,000, by purchases totalling $520,000,000, and by loans of $1,423,000,000. In addition, credits were allowed direct to allied governments by the United States.

Difficult as was the programme after the last war, no one can have any doubt but that it will be very much more difficult after this war. Reports from enemy occupied countries show that the actual conditions of destruction, starvation and undernourishment exceed our worst imagination; and as the war goes on, those conditions will get worse. Their full extent will depend upon how quickly we can beat the enemy, how bitterly the enemy carries on his resistance, and to what extent he pursues a scorched earth policy as he is fought back.

The interallied relief requirements committee made a final report on June 30, 1943, in which it estimated that 23,000,000 tons of food would be required to be imported into Europe in the first six months after the armistice, and that excludes the requirements of the Soviet Union. Of this some 14,000,000 tons would have to be brought from overseas. Reliable reports indicate that some 20,000,000 persons who have been displaced from their homes must be restored to them, and that is one of the tasks with which UNRRA is charged. That is the situation in Europe alone, and the task of UNRRA is to deal with countries liberated from the enemy, wherever they are.

This cannot be the job of any one nation, but must be the task of all nations who wish to serve humanity.

To bring about common action an agreement was drafted, and the draft was circulated by the United States government in its note of June 9 last. That note was printed in the *Votes and Proceedings* of this house of June 18, 1943. Representations were made to the government of the United States by various governments, with the result that the agreement was substantially changed in some particulars. It was signed by forty-four nations at the White House on November 9. At the signing President Roosevelt said:

> The people of these forty-four nations include approximately eighty per cent of the human race, now united by a common devotion to the cause of civilization and by a common determination to build for the future a world of decency and security and above all peace.

In a sense UNRRA constitutes an international community chest for a purpose which is urgent and limited. Once the agreement was signed, no time was lost in organizing the administration. The first meeting of the council was held at Atlantic City the day following the signing, when all forty-four nations were represented. During the next three weeks, from November 10 to December 1, the work of laying down lines of policy and organizing the administration was pressed forward in a spirit of cooperation reflecting the common desire of the participating nations to meet a great human need.

The result was that forty-one resolutions were unanimously adopted, laying down lines of policy and setting up the administration. Many of these resolutions make recommendations to the member governments. The purpose of the bill is to authorize the government to carry out such of the recommendations as are appropriate, and otherwise to implement the agreement and any resolutions of the council or committees of UNRRA. The moneys to be spent on UNRRA remain completely under the control of parliament, and this bill applies only for an appropriation of $10,000,000 out of the war appropriation mutual aid bill for 1943.

No small part of the success of this meeting was due to the able chairmanship of the Hon. Dean Acheson, Assistant Under-Secretary of State of the United States. In his closing speech he said:

> We have reached agreement upon a practicable programme, of defined scope, fully possible of achievement in action. A general purpose has been translated into a definite plan.
>
> We have formulated for submission to the lawmaking bodies in our countries a workable plan for financing our programme—a plan, the fairness and practicability of which we believe will commend it to those in authority.
>
> We have devised a procedure for ascertaining and meeting needs, which fits into the existing procedures for supplying the materials needed in the prosecution of the war and which assures fairness and expedition in the supply of liberated areas.
>
> Finally, we have chosen the men to lead us in the continuing cooperation without which this work cannot succeed, and we have provided for an international organization to administer the policies laid down.

The first meeting of the council of UNRRA showed that forty-four nations could look at the problem of relief, not only as a European problem but as a world problem affecting every nation whether occupied or not. The results of the council showed that the united nations and associated powers could work together effectively without domination by the great powers and without obstruction by the small. It also showed that Canada had a definite contribution to make not only as one of the principal supplying nations in the world but also in the work of international organization. She received recognition by being made chairman of the very important committee on supplies and also a member of the regional committee for Europe.

As one of the members of the Canadian delegation, and as a member of the house I should like to pay a special tribute to a class of people we are often apt to forget in our discussions. I have in mind particularly the leader of the delegation, Mr. L. B. Pearson, who has a standing throughout the world today which would be hard to match in any country. As one moves around, and meets the representatives of all the nations, he finds that Canada has a reputation and a standing hard to equal. In no small measure that is due to the character and the capacity of the men in our Department of External Affairs—and in this connection I should like particularly to mention Mr. L. B. Pearson.

Since the Atlantic City meeting the executive has been organized under Governor Lehman, the director-general. It has its headquarters in Washington, but a considerable organization is already established in London under the deputy director general for Europe, Sir Frederick Leith Ross. A Canadian, Mr. Van Gelder, is deputy director general in charge of administration at Washington, and other Canadians are serving on the staff there.

It has already been announced that the second meeting of the council will be held at Montreal on the 23rd of June, and the Prime Minister expressed the feeling of all Canadians when he extended a most warm welcome to the administration.

UNRRA is a partnership of the nations which stands for civilization to help all humanity. President Roosevelt said, "Nations will learn to work together only by actually working together."

Canada is a fortunate country. Our cities and ports and fields have not been bombed and scorched. Our people have not been tortured, starved, enslaved and shot. Canada is one of the most fortunate countries on the face of the earth with greater resources for her population than any other. Providence has been generous to Canada, and our position gives us opportunities and gives us responsibilities to match our opportunities.

The hope may be expressed that the house will be unanimous in the acceptance of this bill and show that all Canada is united in willingness to do our share in helping humanity.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Bradette in the chair.

Section 1 agreed to.

On section 2—Power to carry out agreement.

Mr. COLDWELL: I would ask the parliamentary assistant what steps had been taken to ensure that there will be adequate supplies. The united nations food conference had a great deal to say about that last summer. Have any plans been worked out to ensure that we have all supplies required for this particular purpose? I have in mind, of course, that at the conference there was some discussion as to the necessity for some of the more favoured nations, including ourselves and the United States, continuing rationing for a time in order to ensure that food supplies would be available for the nations to which we shall make these contributions when the war is over.

The stocks of wheat are going down, and the supplies of animal products are becoming shorter all the time. Has there been some discussion between these two groups with respect to providing adequate supplies to meet the requirements of this objective?

Mr. CLAXTON: The UNRRA agreement provides that the director general, in assessing supplies requirements, shall consult with intergovernmental authorities. In this instance those intergovernmental authorities are the combined food board, the combined production and natural resources board, and the shipping board. As hon. members are aware, on those boards are representatives of the United Kingdom and the United States, with Canada as the only other member of the combined food board and the combined production and resources board. Those boards are charged with the duty of allocating supplies of commodities in short supply. UNRRA will be a claimant on the boards for supplies. In this way the whole global picture involving supplies to the military authorities and to civilian countries will be surveyed in one place, by one set of authorities. Those authorities have not any final say, but they make recommendations which are usually effective.

Already there have gone forward from UNRRA and from the military authorities requirements for the supplying of relief; and the administration is discussing with the combined boards the sources of supplies which will be approached. I believe the hon. member for Lake Centre, who referred to the use of agricultural products, need have no further assurance, because the fact stands out that for some time after the end of the war there will be a shortage of foodstuffs throughout the world. Our farmers can grow everything they have any capacity to grow, in confidence they will find a ready market for their products.

Mr. COLDWELL: I had this in mind: is it not the duty of the government or, if you like, the house, to see to it that our people are kept aware of the fact that we shall require large quantities of food, not only now but after the war, and particularly quantities of protective foods such as meats, dairy products and the like?

Mr. CLAXTON: I think there is something in what the hon. member for Rosetown-Biggar has said. However, we do not know yet how short supplies will be, nor have we had yet any demand from UNRRA, or any indication as to the kind of supplies she will need from us. We may assume that the largest in quantity will be wheat, and after that various kinds of foods, and even protective foods of which we may have a surplus at that time.

Mr. COLDWELL: Are there not two points of view regarding that? Cereals are grown more rapidly than live stock, and it is thought by some that we might be called upon to provide protective foods while Europe is growing cereals and preparing to rebuild her live stock. Are there not two points of view on that?

Mr. STIRLING: There is only one point of view, Mr. Chairman, namely, that it is six o'clock.

Mr. COLDWELL: I had overlooked that.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. MacNICOL: Before asking one or two questions with reference to the bill, I wish to endorse what has been said by some other members, that it is to be hoped that the power to issue orders in council will not be used when parliament is in session.

Referring to the schedule. In article I, section 1, it is stated:

> The administration shall have power to acquire, hold and convey property. . . .

Will the parliamentary assistant explain what circumstances are likely to occur wherein property would have to be bought, and if such property would be bought in Canada; or does the section refer only to property to be acquired in the occupied countries; what would be the nature of the property, and for what would it be used?

In the same article, section 2, paragraph (a), it is stated that the purposes and functions of the administration shall be—

> To plan, coordinate, administer or arrange for the administration of measures for the relief of victims of war in any area under the control of any of the united nations through the provision of food, fuel, clothing, shelter and other basic necessities, medical and other essential services. . . .

First, would Malta be deemed an area eligible to receive assistance under this programme? If any part of the British empire outside the British isles themselves deserves assistance, I would think it would be Malta, which has given an example to the world of endurance of a blitzkrieg the like of which no other area outside London has suffered. I should like to know particularly as to the position of Malta in this connection. Last Saturday was Malta tag day in Toronto and I saw many people "chipping in" for Malta. I do not know whether in any other part of Canada a tag day is being held for Malta, but I hope the government will do something in a special way for this brave little island, which has given an example of heroism that has thoroughly entitled it to the George Cross, the first award of its kind, I believe, which has been made.

Also, would that portion of Egypt which suffered during the advance of the German army be eligible for assistance under the provisions of this bill?

In paragraph (b) of the same section reference is made to purchasing. What would likely be included in "purchasing"? This afternoon the hon. member for Lake Centre referred particularly, I believe, to food products, which come, of course, under paragraph (a). I am not sure whether he mentioned anything about machinery; I believe that someone did. The streets of these devastated areas will have to be cleared out; roadways will be needed for the transportation of food and supplies, and trucks will be required for distribution; also a certain amount of road machinery and, perhaps, building machinery and related equipment will be needed. Would all that material as well as food be purchased by the committee set up under this bill, or is food the only thing to be purchased?

Paragraph (c) of section 2 also relates to what I have asked. The distribution of supplies will require trucks and perhaps other transportation equipment. Will transportation equipment be purchasable under the terms of this bill? If so, I assume that Canada through its representatives will get its fair share of orders; we could not expect any more, and perhaps should not expect any less.

I wonder whether, in surveying the whole job which will have to be done after the war, the council might say to Canada, "We will turn over to you the responsibility for Malta or the "blitzed" part of Egypt; France may be the responsibility of the United States, and Germany the responsibility of some other country." Is it possible that the work to be done will be divided in some such fashion among the different countries, so that each country will have an opportunity of doing a real job by itself, of course under the direction of the central committee?

Then, in article III, section 1, it is stated that "each member government will name one representative, and such alternates as may be necessary, upon the council"; that is, each of the member countries is to have one member of the council "and such alternates". Will each country name just one alternate; if more than one, upon what basis will alternates be named? Population, or ability to assist, or on what basis?

Section 2 of article III states:

> The council shall be convened in regular session not less than twice a year by the central committee.

As I understand it, Canada will not have a representative on the central committee, since it consists of the four major members of the allied set-up, namely China, the Soviet Union, the United Kingdom and the United States. Apparently this means that the Canadian representative would be called only twice a year. How would he exercise his influence in the general work of the council if he is called upon only twice a year to attend?

Section 3 of article III gives the composition of the central committee, namely representatives of the four major nations and the

director general, but the director general is not to vote. What will happen in case of a tie on any question or any number of questions?

Section 6 of article III makes reference to technical committees. They would be, I take it, engineering committees, consisting of men capable of laying out and building railroads; railroad engineers, men who design and lay out tracks; also, perhaps, electricians. Would each of the member nations have the privilege of supplying engineers in these various technical branches to assist in rebuilding? Perhaps those are all the questions I have to ask.

Mr. CLAXTON: The hon. member for Davenport asked first a question with regard to article I of the agreement.

Mr. MacNICOL: Article II, subsection 1.

Mr. CLAXTON: I believe it was article I, subsection 1, in connection with which he referred to the administration having the power to acquire property, and he inquired as to what property that might refer to. I think it should be understood that the agreement generally creates UNRRA as a kind of international corporation or partnership, and it is intended that with the proceeds and contributions made by the member governments, as the act of their constitutional authorities, the administration will then buy where it can best buy the supplies that are needed. I should interpolate that it is provided in the financial resolutions that member governments will be asked to contribute not less than ten per cent of their contribution in free exchange—money that can be spent outside their respective countries, but that the rest of their contribution can be given in the equivalent of their cash contribution in goods produced in their own country. Once that is done, however, whether the goods be contributed as equivalent of cash or whether they be purchased by the administration, they will become the property of the administration and will be handled by the administration, so that all the relief supplies acquired by UNRRA would belong to the administration and be distributed by the administration in accordance with policies laid down by the council. That is the reason for that provision in the agreement.

Mr. MacNICOL: Would it refer to the purchasing of land or buildings?

Mr. CLAXTON: There is no intention of purchasing land anywhere. However, in an occupied country, the administration might have to acquire shelters for displaced persons, storehouses or something of that kind, but there is no intention of purchasing anything of a permanent nature. The intention is to give relief, and provide measures for rehabilitation that will assist in giving relief.

The second question asked by the hon. member for Davenport was whether or not Malta would receive assistance under the agreement, and he referred there to article I, section 2, paragraph (a) of the agreement. Malta does not appear to me to qualify under the agreement, because, thank Providence and the fortitude of the people who defended Malta, it has never been occupied by the enemy and therefore will never be territory liberated from the enemy, whereas the agreement provides only for relief for territories so liberated. There is, however, another reason why Malta would not qualify for relief, and possibly this also applies to the case of Egypt, which the hon. member also mentioned. Under financial resolution No. 14 adopted by the council it is provided in section 16:

> It shall be the policy of the administration not to deplete its available resources for the relief and rehabilitation of any area whose government is in a position to pay with suitable means of foreign exchange.

The British government is the government which controls Malta, and the British government not only is in a position to pay but also is a very large contributor to the resources of UNRRA. So that on those two counts Malta would not qualify, and on the second count Egypt would not, though perhaps the case of Egypt may be less certain in view of the special position with regard to Great Britain. In any event, however, I should think Egypt would be regarded as a country which was able to pay.

The next question was with regard to paragraph (b) of section 2 of article I, and in that connection the hon. member asked what would UNRRA be purchasing. I think I have already answered that question. Ultimately all supplies made available for relief will be purchased by UNRRA, so that it will purchase everything it supplies, although in the great proportion of cases it will receive supplies in kind in the equivalent of cash that is contributed.

Mr. MacNICOL: And food?

Mr. CLAXTON: Yes. As regards the articles that will be furnished by way of relief, that is covered partly by article I of the agreement, section 2, paragraph (a); and also by resolution No. 1 which was read this afternoon by the hon. member for St. Mary (Mr. Fauteux) and which perhaps I need not put on the record again. If I may read the headings, they cover (1) relief supplies; essential consumer goods, to meet immediate needs, such as food, fuel, clothing,

shelter, medical supplies; (2) relief services, such as health and welfare, et cetera; (3) rehabilitation supplies and services; materials (such as seeds, fertilizers, raw materials, fishing equipment, machinery and spare parts) needed to enable a recipient country to produce and transport relief supplies for its own and other liberated areas, and such technical services as may be necessary for this purpose; (4) rehabilitation of public utilities and services, so far as they can be repaired or restored to meet immediate needs such as light, water, sanitation, power, transport, temporary storage, communications, and assistance in procuring material and equipment for rehabilitation and educational institutions.

The next question was whether or not it would be possible for the responsibility attached to the giving of relief to be handed over to the different countries in a position to give that relief. In view of the further explanation I have given of the nature of the administration it will be seen that this would not be a convenient way of doing it, because these supplies will have to be put in ships, transported abroad and put down at the place where they have to be used, and it would not be possible conveniently to earmark supplies, say, from Australia, going to Belgium or any other country. The matter will be handled entirely by the administration in the best way it can without regard to the source of origin of the supplies.

The next question was with reference to article III, section 1, of the agreement, and that is as regards the position of alternates on the council. Section 1 reads:

> Each member government shall name one representative, and such alternates as may be necessary, upon the council of the united nations relief and rehabilitation administration, which shall be the policy-making body of the administration.

On that council each nation has only one vote, and if a nation is not represented by its delegate or member his place can be taken by an alternate. At Atlantic City there were set up no less than four committees and sixteen subcommittees, and on each one of these subcommittees every nation had the right to be represented. Obviously one person could not attend all meetings, so that he named an alternate from his delegation to vote for his country in his place at that meeting.

The next question was with regard to article III, subsection 2, in which it is said:

> The council shall be convened in regular session not less than twice a year by the central committee.

The council is the policy-making body. It meets twice a year in order to receive reports from the executive and to decide further questions of policy. It is then the duty of the executive head, that is the director general, to carry out these policies; therefore it is thought that there is no need for the council to meet oftener than twice a year. I think that provision has been borne out so far by the experience. There will be an accumulation of policy questions to come before the council at its next meeting in Montreal, but they will be dealt with in good time. A number of questions relating to supplies will have already been dealt with by the supplies committee. A number of questions have been dealt with by the regional committee for Europe. The central committee has power to make policy-making decisions in between meetings of the council. Therefore ample machinery is set up to deal with matters in an effective way and yet preserve the powers of the representative organs over policy. It would be interesting for the committee to learn that three meetings of the central committee have been held so far and seven meetings of the supplies committee.

The next question had to do with section 3 of article III and was as follows: "If the director general has not a vote, what will happen when the central committee splits two to two?" I have never been present at such a meeting; but when there are representatives of China, the United Kingdom, the United States and the Soviet Union present I should think they would not decide anything if they could decide it only on a vote of two to two. They will have at least a vote of three to one before they arrive at a decision. I should think that in a small committee such as the central committee, having to deal with matters of high policy, they would have to have three to one or else they would not act.

Mr. MacNICOL: It is possible to have a vote of two to two.

Mr. CLAXTON: It is quite possible. There is no way of resolving that that I know of.

Finally the hon. member for Davenport asked a question with regard to the technical committees for which provision is made in section 6 of article III of the agreement. Those technical committees were provided for in resolution No. 26 adopted by the council and the committees are committees on agriculture, displaced persons, health, industrial rehabilitation and welfare. It is provided:

> That such committees shall consist of such members of the council as indicate to the director general their intention to participate in the work of a committee or committees, or of alternates nominated by such members of the council as shall elect to do so, such alternates to possess special competence in the problems relating to the work of the committee to which they are nominated.

That, I think, answers the question.

Mr. MacNICOL: May I ask one more? I had this question in my mind but I had forgotten the wording of it. Something was said this afternoon about the rehabilitation of industry in the various overrun countries. To rehabilitate an industrial plant would require the purchase of a large number of lines of machinery. Would that machinery be supplied under this legislation, and if so, how would the purchases be made? It would likely have to be purchased outside Europe with the exception of Sweden, Great Britain or Northern Ireland. It could be purchased there or in the United States or Canada.

Mr. CLAXTON: The rehabilitation of industries is dealt with by resolution No. 12 of the council. It is a very long resolution and perhaps I should not take up the time of the committee to read it. However, I shall say this: UNRRA does not undertake the job of reconstruction. It is established to do the immediate job of relief and rehabilitation in so far as that rehabilitation will enable the countries to help themselves to provide their own relief. When we come to purchases of machinery I can see that it would be very wise for the administration to assist in the repair of milling machinery in ports which will be bombed, so that instead of having to bring flour in sacks we can bring wheat in bulk and thereby bring about a very great saving. In those circumstances the administration would no doubt plan the repair of milling machinery; but when we get to the actual handling of that operation it must be remembered that UNRRA does not intend to take the place of any administration in any territory. Ordinarily it will deal through the government in that territory. We may assume that UNRRA will come into operation only after civil order has been restored, after which the military authorities would turn over the administration of relief to UNRRA. Therefore the taking over by UNRRA of the job of giving relief almost assumes that there will be a civil government in effective power there. That being so, UNRRA will deal with the civil government almost exclusively. It does not intend to set up a new civil service or bureaucracy or even distribution agencies everywhere throughout Europe and the far east. It will do only whatever is necessary in the existing circumstances, and as far as possible it will use the existing governmental and other agencies.

Mr. STIRLING: That leads me to a question I have wanted to ask. Can the parliamentary assistant outline the details of what he sees with regard to the future at the receiving end? I presume that when an occupied country has been relieved from the thraldom of the enemy that country's government in exile will return and take charge and, as the hon. member has just said, it will be the authority to deal with the receiving end and the distribution. I wonder whether a considerable time will not elapse before UNRRA can do any distributing? I do not know whether UNRRA is in touch with governments in exile at the present time, but even those governments when they return to their own countries will surely take a considerable time to look around. However, estimating even roughly what the requirements will be for the restoration of the people both materially and spiritually, what does the parliamentary assistant expect UNRRA to do in that regard?

Mr. CLAXTON: The situation as I understand it is this: The interallied war relief requirements committee was set up in London in September, 1941, as I described this afternoon. That committee included representatives of, I think, eight of the occupied countries. They were in close touch with conditions in their own country, and over a period of two years they worked out estimates of the requirements of their countries as they saw them. Those estimates were carefully considered by the committee and embodied in the report of the interallied relief requirements committee, which was dated June 30, 1943. That report is no doubt being used by the regional committee for Europe and by the UNRRA administration at Washington in working out estimates of relief requirements.

We have a good deal of material to go on by reason of the experience in North Africa, Sicily and Italy. All that has been carefully watched. There is close cooperation between UNRRA officials and the combined civil affairs committee of the combined chiefs of staff. They work out the over-all requirements for Europe on the assumption that she is liberated as of a certain date. These requirements are submitted to the combined boards in order to ascertain whether and where the supplies are available. Now, all those estimates may be wrong. They may be made wrong by the enemy suddenly stopping, or they may be made wrong by the enemy bitterly resisting and pursuing a scorched-earth policy. They may vary, depending upon the time of year when a country is liberated, whether or not the harvest is in. But still they are the best estimates that can be worked out at the present time. On the basis of those estimates, constantly revised in the light of changed conditions, UNRRA is setting about procuring the supplies that will be necessary.

Mr. STIRLING: Do these planned operations cover that part of Russia, for instance, which has been liberated? Do they cover those countries in eastern Europe which we hope will be released shortly, through the operations being carried on by Russia? When that occurs, will UNRRA get busy in regard to those countries?

Mr. CLAXTON: I am not familiar with the exact situation in regard to relief in connection with the liberated territory of the Soviet Union. I do not know whether Russia has put forward any requests; I do not believe she has, to this date; but when they are put forward and when the nations are in a position to supply relief, it will be made available to Russia either in accordance with the policies laid down in the resolution or in accordance with such other policies as the council may adopt.

Mr. REID: I should like to ask the hon. gentleman one or two questions, and perhaps while I am on my feet I can put them all together, so that they may be answered in the same way. The first question has to do with the amount of money that is to be spent. Has any decision been arrived at or any estimate made as to the amount of money likely to be required from all countries, and in particular from this country? If a total sum has been arrived at, will a bill be introduced later this session in which that amount will be set out? Otherwise it would seem to me that if an emergency should arise at any time in the future we might not be in a position to meet it, because, as I read this bill, only some $10,000,000 can be used for this purpose.

That was one of the questions I had in mind, but I rose particularly to ask another question. Several committees will be set up under this administration. In the first place we have the council consisting of representatives of all countries signatories to the agreement, of which council Canada is a member. Then there is the central committee, which is to consist of representatives of China, the Union of Soviet Socialist Republics, the United Kingdom and the United States of America, with the director general presiding without vote. It is true that the council must meet at least twice a year, but I would judge that the central committee is a very important body indeed, in that it can formulate emergency policies which, of course, later on must be referred to the entire council. The thought I have in mind is this. Where does Canada come in? Why is Canada not represented on the central committee? After all, we are beginning to take our place in world affairs, and in my opinion the more we know about Europe the better. I cannot understand why Canada should not have a representative on that central committee. If the minister would answer those two questions I think it would be of some help.

Mr. CLAXTON: The hon. member referred to the amount Canada might contribute toward the total requirements of UNRRA. The amount provided by the present bill is $10,000,000, but order No. 7 on the order paper of to-day is a resolution preceding a measure to provide for sums of money not to exceed $800,000,000 in connection with Mutual Aid, and it will be seen that in addition to Mutual Aid that money may be used, if the resolution passes, for the purpose of fulfilling any obligations arising out of the united nations relief and rehabilitation agreement. So that part of the money will be made available by this bill, if it passes, and part by the Mutual Aid bill, if it passes. As for the total requirements of UNRRA, it is estimated that the one per cent of the national income which the nations are recommended to contribute if they are in a position to do so will bring in a total of between two and two and a half billion dollars. That is the best estimate anyone has been able to arrive at. Already the United States has passed a resolution approving an appropriation of $1,350,000,000, and the United Kingdom has passed a resolution approving an appropriation of £80,000,000, so that they are well on the way already.

With regard to the question of Canada being a member of the central committee I can only say that the agreement was signed at Washington by the forty-four nations, and Canada did not become a member of the central committee but was made chairman of the committee on supplies. Under the agreement the chairman of the committee on supplies has a right to sit in with the central committee when supply questions are being considered. I cannot conceive of the central committee having many meetings without considering questions of supply, so that while it is not quite the same as being a member of the central committee, Canada, by reason of the fact that she is chairman of the committee on supplies, does occupy a rather special place.

Mr. STIRLING: She is also a member of the regional committee for Europe.

Mr. CLAXTON: Yes; that is quite right. While I am on my feet may I correct one statement I made last evening, when the hon. member for Lake Centre asked whether or not UNRRA was recruiting a staff for service abroad. I have checked up that point and I find that UNRRA has just begun recruiting a limited number of people for

service abroad. They are to commence a course in the United States on May 1, and are, I understand, limited to welfare and social workers and others of that class. They are to come to UNRRA on the recommendation of such voluntary agencies as the Red Cross, and their salaries are to be paid by those agencies, while expenses of travel and maintenance will be paid by UNRRA. The position in regard to Canadians serving there is that as a result of the rather exceptional status of our voluntary agencies, most of which are in receipt of government aid, an arrangement has not been quite worked out as yet. I would suggest, however, that if any Canadians wish to serve abroad in that capacity, they should forward their applications now to the Department of National War Services, which can pass them on. In connection with administrative personnel, applications should be made to UNRRA headquarters at Washington, as I indicated last night.

Mr. COLDWELL: I was going to ask the parliamentary assistant, who was present at the conference, what consideration was given by the conference to the recommendations contained in the report of the interallied post-war requirements committee. He will probably remember that in its report this committee submitted a number of questions, six in all, which I have before me and which were sent to the various allied governments. The report to which I refer was presented last June; but it was not until last November, when the meeting to establish UNRRA was held, that this report was made available to the public. I should like to place the questions on record, because they have a vital bearing on what we are discussing, and since we are approving the UNRRA agreement attached to the bill I think we ought to understand what should be done, what is being done and what is our responsibility in the matter.

The first question was:

i. What arrangements are proposed for the procurement and distribution of supplies to meet requirements?

There we have a very important question, particularly in view of the dire need which exists in many countries. The other questions are:

ii. What arrangements are proposed in regard to the allocation of shipping?

iii. On what principles are supplies and shipping to be financed?

iv. What arrangements are contemplated for restoring and controlling the inland transport system of Europe?

v. On what basis are arrangements for field missions and essential services to be organized?

vi. Is the need for restoring employment recognized as an essential part of any relief programme?

[Mr. Claxton.]

It has appeared to me, while listening to the discussion to-day, and also after reading the agreement which has been signed—and this is what I had in mind this afternoon when I was speaking about the need for widening the scope of this agreement—that very little attention has been given to some matters arising from the questions, which seemed to worry the interallied war relief requirements committee, when it reported to the allied governments in June of last year. Its report went on to say:

The allied governments may consider that these questions can best be settled by the united nations relief and rehabilitation administration, if and when it has been set up—

And it has now been set up.

—but the committee feels bound to stress the importance of clearing up these issues as soon as possible, so that definite plans may be prepared by the appropriate authorities.

It seems to me that the defect in the agreement is that we do not know how these plans are to be formulated. The director general has certain responsibilities, as outlined in the document attached to this bill. But how those duties are to be carried out ought to be, I think, a matter of close scrutiny by the nations that are parties to the agreement.

As a matter of fact, so far as production goes I would say that no arrangements which can be made for the acquisition of stock and the piling up of supplies can meet this situation in the years to come. I do not think we shall be faced with the problem for two or three years. It is my view that the rehabilitation of these devastated and scorched-earth areas will require a very considerable time, and the rehabilitation of other backward countries, in the economic sense, will require a very much longer time.

So far as I know, all we have in the report of the meeting attended last November by the parliamentary assistant is a reference in section 4 of resolution 22. I believe he has the resolution before him tonight. One of the functions of the committee on supplies is there set out as follows:

To cooperate with the director general and the established intergovernmental and governmental agencies in efforts to increase production and the availability of supplies.

As I have indicated, some anxiety was shown on that score in the inter-allied post-war requirements committee. They were not satisfied, unless because of the possibility of world shortage some real effort were made, and unless nations like Canada, where we have had ample supplies during the war, and where we have been short of very little in the way of basic foods, would consent not only to a

continuation of rationing of the protective foods, but perhaps even to an extension of rationing to some of the other foods which have not been rationed during the war. That is not necessarily my view, but I may say I believe it is probably the correct one. I am, however, simply quoting the opinion of the interallied post-war requirements committee, as indicated in its report. That was its view, and so far I have been unable to find that anywhere provision has been made for the kind of world-wide planning of the necessary production which the committee considered essential to meet the tremendous requirements of the post-war period.

We know to-day that there are many millions of people in Europe, to say nothing of the countless millions in China and in the far east, who are starving. In our own country we have watched our supplies of certain commodities, of which we had very large quantites two years ago, diminishing to the point where it is altogether likely that by the end of this crop year a very large percentage of that great surplus of cereals which we had on hand will have entirely disappeared, either because those supplies are required for bread foods, or because they are required for the feeding of live stock.

In Europe we know that food supplies have been wiped out, and probably for some time we shall have to replace the rye bread of eastern Europe with wheat from one or another of the wheat-producing countries. Yet, as I would judge from the discussion I have heard to-day, there seems to be no plan of a world-wide sort for the building up of the required stocks of food and other supplies to meet the situation.

Before the dinner recess I was asking the parliamentary assistant about what was expected of Canada, both as a cereal-producing country and as a source of protective foods. My understanding is that while cereals can be grown more rapidly on land in Europe that has been liberated and is in process of rehabilitation, the building up of European stocks of hogs and cattle will require a very long time. While our main obligation probably is still the thing which we can do best, namely the production of cereals, yet I do not think we should allow the idea to get abroad that we should in any way reduce our output of protective foods which requires also the conservation of feed grains.

Our lack of policy illustrates what I had in mind, namely, that there seems to be no method of achieving a plan to guide the producing nations. The united nations co-operate and set up some authority to recommend and advise—I know those words are used in the document but that is all. It seems to me that is not enough. You can recommend and you can advise—but there is no one authority which can direct. I do not know how that can be achieved under the form or organization suggested. It is my view that a great deal of consideration ought to be given to the problem. We know that the executive committee of UNRRA, if we may so describe it, consists of representatives of the major powers. But I share the view of the hon. member for New Westminster (Mr. Reid), that while perhaps we cannot expect to be on all the committees, yet Canada, as a producer of large quantities of the very things the world will need, ought to make her voice heard in a constructive manner. Otherwise when the war is over we may find that the world is short of the very essentials required to carry out the agreement which we are about to enter into, and which we are approving to-night.

As I said before, there seems to be no authority but to advise and recommend. Nowhere is there any authority—and I do not like the word "enforce", but in this instance I shall use it—nowhere is there any authority to enforce decisions regarding the planning of production. May I repeat that I do not like the word "enforce" but for lack of a better one I use it. I should like to know what consideration was given to the points I have raised when the agreement was reached by the signatory nations.

Mr. CLAXTON: The hon. member has said that there is no authority to enforce the recommendations or decisions. In that he is quite right. It was not the plan of the united nations and the associated powers in signing this agreement to set up a world authority. I do not suppose they would have agreed to the signing of the agreement, had that been required of them. On the other hand there is ample and, I think, effective machinery provided, not only by the agreement but by the resolutions, for the assessment of requirements and to secure the allocation of supplies from the combined boards and for the purchase of supplies in so far as they are available. I refer to resolution No. 1, which sets out the procedure for dealing with requirements; resolution No. 17, which sets out the procedure dealing with supplies; resolution No. 2, which deals with the duties of the committee on supplies. Others will also be found indicating that there is ample machinery for the use of the administration.

With regard to the suggestion that Canada should have been a member of the central committee and play a rather large part in these affairs, I subscribe to the view, as hon.

members may recall, that Canada has had a great opportunity. She has not failed to make use of her opportunity in UNRRA. She has a place there which is second only to the great powers. I ask hon. members to consider the fact that Canada is chairman of the committee on supplies; Canada is chairman of the interim food commission; Canada is a member of the regional committee for Europe; Canada is a member of the combined food board and is a member of the combined production and resources board. We can apply the functional principle too far. We cannot be on every board that there is in the world. Hon. members will, I hope, see that Canada has not only fair representation but also great opportunities, and her place is recognized by the nations.

In answer to the question with regard to protective foods, it is important to recall that cereals are the easiest means of providing energy, preventing starvation, and providing relief in the shortest possible time. We have had a good deal of experience in this through the provision of relief to Greece. Many Canadians do not realize that since August, 1942, we have been providing 15,000 tons of cereals a month to Greece. At Atlantic City I met the representative of the Swedish Red Cross who had charge of the administration of relief in Greece, and he told me, if I remember the figures correctly, that the wheat we provided enabled Greece to increase their food ration by 400 calories a day to over three million of the population and that it represented the difference between starvation and survival for half the population of Greece. Since that supply of wheat has been made available through Canada, other nations have made available other foods. The prime necessity for that kind of food having been filled by Canada, other nations are making available to Greece protective and other foods, while Canada herself is also making available some protective foods to Greece to-day. We have had that experience. We have found that the easiest way to provide relief is with cereals. But that, of course, does not eliminate other foods. I can assure my hon. friend that in the schedules of requirements that I have seen, the kind of consideration that he has mentioned has been kept in mind by some of the best qualified food experts and transportation experts in the world who are engaged in this work.

Mr. FRASER (Peterborough West): Is the Red Cross handling that work in Greece?

Mr. CLAXTON: Yes. It is done by Swedish and Swiss representatives for the International Red Cross and done, I am told, with very great efficiency. I am informed that all the wheat we send reaches the people for whom it is intended.

Mr. SLAGHT: One of the points on which I had intended to ask the parliamentary assistant for information was the one just raised by my hon. friend, as to whether or not the Red Cross with all its traditions, training and efficiency will be used as an agency in working out the details of the agreements under UNRRA. I do not find that in the agreement itself; I fancy it is a matter of administration.

It does seem to me—perhaps I should have said this on the second reading—that this bill is the most important piece of legislation which the Parliament of Canada has had to consider since we met in September, 1939, and declared war on Germany and that we would stand by the side of the mother country in this struggle. It is a piece of legislation of which any country which professes Christianity and a belief in the doctrines of the Sermon on the Mount may well be proud, because it is a declaration of those great principles carried into realistic effect for the purpose of clothing the naked and feeding the hungry. There is nothing but the greatest humanity behind the whole principle of this bill.

I endorse the view of my hon. friend the member for Rosetown-Biggar that this will not end in a year or two. I believe that we as one of the "have" countries are embarking upon an international programme which we shall be proud to carry on for many years to come for the benefit of the less fortunate "have not" countries. In that connection the committee may be interested in knowing something of the terrific and deliberate devastation that our gangster enemies are carrying out in European countries. I do not propose to give the committee any harrowing details. But in the early part of March last, our allies the Russians, in defeating certain of the German army corps, came upon and took over a series of documents issued by the German high command which were startling in their disclosures of a deliberate policy of inhumanity by the German high command. I have in my hand a copy of the English edition of the Moscow *News* of Wesdnesday, March 15, 1944. It is published in Moscow, and I should like to read a very few extracts which will demonstrate the extent of the devastation wrought by Germany in European countries which we are hopeful and expect to relieve under the provisions of this bill. The quotation starts:

> To the monstrous dossier of Hitlerite infamies new documents have been added, in which the executioners themselves reveal the methods by which they effected the terror that has come to be synonymous with Hitlerism.

What are these documents about? In the first place, they contain secret directives for the extermination of Soviet people.

Secondly, apart from the general directives providing for wholesale extermination, these documents include orders and instructions for the slaughter primarily of Soviet leading workers and intellectuals.

The whole essence of Hitlerism in all its hideous nakedness is revealed in this meticulously thought-out programme for the extermination of nations.

The documents in our possession draw a frightful picture of the planned and deliberate extermination of the Soviet peoples. But are these plans any different from those which have been and are still being effected in the west, in southeastern Europe, in the north and wherever else the ominous swastika still flies?

One has but to recall the destruction of Rotterdam and Warsaw, the slaughter in Belgrade, Lidice, all the sanguinary activities of Himmler, Heydrich and other Hitlerite satraps in the occupied countries of Europe. Who can count the number of common graves in Poland or estimate the number of patriots in Norway, Holland, Belgium, Yugoslavia, Czechoslovakia and France brutally murdered or tortured to death?

Then this conclusion:

The peoples of occupied Europe are anxiously and impatiently awaiting deliverance.

Surely that is an inspiration for the passing of this bill, and a reason for recognizing that future expenditures will probably be on a serious scale. But when we can vote, as we did this year, $5,000 million for killing and destruction, surely $90 million for feeding the hungry is not too much. It does seem to me that Canada and the Canadian people, when we pass this bill, will be happier, happier in finding that we have appreciated a real duty. I recall a philosophy of life which was given to us by Robert Morrison, a member of the British delegation of the Empire Parliamentary Association who visited us last summer. In one of his addresses he left with us a thought which it seems to me the House of Commons may take when they conclude the passing of this bill, as I am sure they will. He put it in this way, "I searched for happiness, and happiness eluded me. I turned to service, and happiness found me." That applies, in my view, to nations as it does to individuals.

Mr. HANSELL: I notice in the schedule to the bill, article III, sections 1 and 2, that the council is appointed by each of the member governments. It goes on to state that the council when assembled shall select its own chairman, and there are some provisions respecting the general constitution and the working of the council. But when we turn to section 3 we find that the central committee of the council has been already selected, and that it consists of what I would term the "big four"—Great Britain, the United States, China and Russia. The central committee is already decided upon. It seems to me that this is putting the cart before the horse, and I should like the parliamentary assistant to enlighten us as to why the appointment or selection of the central committee is not left to the larger council when it meets, at the same time that it appoints its chairman.

I am in favour of the bill. I believe that we have a moral obligation to our fellow man, and that there must be a recognition that no human being should go hungry or cold. That is what I would like to term Christian humanism. Therefore I am favouring the bill, but I am not doing so without making one or two other observations which are not so complimentary to things that are related in a way to the principle of the bill.

I do not know how far I can agree with the hon. member for Parry Sound and the hon. member for Rosetown-Biggar as to the length of time it will take to rehabilitate the liberated countries. I understand it is provided that the united nations shall furnish about one-fifth of the cost of rehabilitation. In other words, the devastated countries will have to supply four-fifths of the agricultural products and other materials they require. I should be glad if the parliamentary assistant would throw some light on that, because if that is the case the bill is rightly called a relief bill, for that is all it is. It embodies a principle which we have recognized for a good many years, namely, that we have to give some sort of relief. We have tried relief schemes before. We tried them at home, but I do not think the governments in power in those days did a very good job of relief. While this, I know, is a slightly different matter, there seems to be a little irony about the fact that the very government which could not solve its relief problem internally now joins an international organization to try to solve the problem of the relief of the world.

While I am on that point I wish to mention another matter which has given me a good deal of concern. It gives me concern when we set out to pass a bill like this and such bills as the billion dollar gift to Britain and the united nations mutual aid bill and so forth. Not so long ago we heard of the terrible starvation in India. I mention this because India may be a little closer to us than some of the countries which have been devastated in this war. India is within the British commonwealth of nations, and if ever the rest of the British

empire had a responsibility upon it, that responsibility was upon it last year. The Hindu is as much a human soul as any other human being in any part of the world, yet here in our own commonwealth, one of our own members was permitted to get to the point where thousands were starving and dying on the streets every day. Somebody has something to answer for there, and I do not know whether the parliamentary assistant has anything to say about that. He is a student of world affairs and I wish he would throw some light on it. I did read of course, after so many thousands had died upon the streets, that the Prime Minister of Canada offered to send them a shipful of wheat. That might be all right for the rest of them who were not yet dead, but we can sum it up by saying, once again, "too little and too late." We are asked to pass bills of this kind when such things are happening within our own empire, and that, I think, is something which should give us all considerable concern.

I am not very much disposed to favour international organizations. I think we must draw a distinction between international cooperation and international authority. I certainly believe in international cooperation, for as no man liveth unto himself, so it is true that no nation liveth unto itself; nevertheless, I am apprehensive when I think of the tendency of our times toward international control.

I am in favour of this bill, but I trust it is not the thin end of the wedge that is to be driven into our whole world scheme to let in further international organization that will control democratic countries from the top. I hope this is not one of the little cogs in the great big world machinery that eventually will be driven to squeeze from the sovereign people of Canada that which is their own sovereign right. The very moment anything comes up in this house that has any tendency to do that, then here is one who will not let it go by without voicing vigorous protest. However, this bill does not seem to me, at least on the surface, to contain those elements. It seems to me to be a bill whereby there is cooperation toward our fellow men in other parts of this unfortunate world.

Before I sit down I have something else to say with respect to the schedule and the signatories that are attached to it. As we all know, there are forty-four signatories representing forty-four separate countries. I notice very often throughout this document that one of the signatories has added a proviso before signing it. I cannot read all the languages but I can read a word or two here and there, and I think I am right when I say that every one of these provisos is to the effect that this must not come into power until the signatory's own particular parliament or legislative authority has passed it. I am going to read those who have signed with that proviso: Chile, Columbia, Cuba, Ecuador, Ethiopia, Guatemala, India, Iran, Iraq, United Mexican States, Peru, Uruguay, and Venezuela.

I wish it to be noticed, and I am calling this to the attention of the committee, that all these thirteen signatories that refused to sign it as a contract, a binding force, until their own legislatures shall have passed it, were tiny countries. The reason I call that to the attention of the committee is this. Here is where the signatories of some smaller countries recognize the value of democracy. Now I say this, as I have said it before in this house. When certain trade agreements have been placed upon the doorstep of parliament the whole thing is signed, sealed and delivered before it ever comes to parliament, and what parliament is requested to is to play the rubber stamp, so that the Prime Minister (Mr. Mackenzie King) can stamp us on that agreement.

That is the antithesis of true democracy. I may say too, by the way, that the big four, Great Britain, the United States, China and Russia, do not through their signatories make any such reservation. Our own minister at Washington, Mr. Leighton McCarthy, signed the agreement without any reservation whatsoever. I am beginning to think that democracy has gone from the shores of Canada. We have a government that is continually grinding out orders in council. The hon. member for Lake Centre (Mr. Diefenbaker) has shown that time and again by questions on the order paper, whereby we see that these orders in council have been ground out continually. Not only that, but now we find that certain agreements are entered into, and if they were not now ratified by this parliament it would mean a want of confidence in and a censure upon our government.

Here we find agreements signed, and after they are already signed the Prime Minister trots down to parliament and asks us to be good boys and ratify what he has done. I for one am going to protest against that. There is no reason in the world why an agreement of this kind should not have been entered into as a sort of preliminary step, with each signatory going back to his country and explaining the agreement to his government, and his government coming to his parliament or his legislature and saying to the people, "Is this what you want?" That is the way it should be done, and I am getting tired of this—

Mr. MacNICOL: Everybody is.

Mr. HANSELL: I mean, I am getting tired of this sort of thing.

An hon. MEMBER: That is what he means.

Mr. HANSELL: I am not getting tired of myself.

Mr. MacNICOL: We are all getting tired of order-in-council government.

Mr. HANSELL: The other day the Minister of Munitions and Supply brought down a very important matter. Now I have not got access to the caucus records of the Liberal party, but I will make a pretty good guess that neither the international airways agreement nor the agreement at present before us was ever brought before the Liberal party as a whole. I will offer that as a good guess. I think I am right in my guess. Here are a few men sitting in Canada heading a government. They asked for the responsibility. The people have given it to them, given it to them as their servants; yet they go and do things in this way without first calling upon parliament for the advice of the people. That is my protest. Although I make that protest, I repeat I believe this is a good bill. It manifests the right spirit toward the unfortunate. I believe we should pass this bill, but let me add that I think, too, that we have reason to solve our internal problems as well.

Mr. REID: I have two questions to ask—

Mr. HANSELL: The parliamentary assistant has not answered my question. *Hansard* would read a little better if the answers were given now.

Mr. CLAXTON: I do not know that at this time I can go into a discussion with the hon. member for Macleod on the wisdom or lack of wisdom of changing our long-established constitutional practice with regard to the execution of international agreements, a practice which we have taken with our inheritance of British parliamentary institutions from the United Kingdom, a practice which has worked well there and which I think has so far worked well here. However, I doubt if the reservation in an international agreement that it shall be subject to approval by a legislature is necessarily an effective test of a working democracy. There are other tests, and I think our democracy in Canada is able to stand comparison with that in any one of the countries which have that provision in their constitutions.

With regard to the first suggestion that the contributions of UNRRA would cover only one-fifth of the cost of relief, may I say I hope that the contributions of UNRRA will cover the whole cost of relief; but they will not cover the whole cost of feeding Europe or the far east. A great deal of the food and supplies necessary to feed Europe will be supplied in Europe by Europeans working their own land. Under the agreement and resolutions passed in pursuance of the agreement part of the total cost of relief will be borne by the countries which are able to bear that cost themselves. At Atlantic City the French committee of national liberation indicated that France was such a country; that she would be prepared to pay for the cost of the relief furnished to her. In all probability the Netherlands, Belgium and perhaps Norway may be in the same position of being able to pay. Under the resolution the countries which are able to pay are to pay in so far as it does not interfere adversely with their international exchange position. The hope is that the cost of relief as relief will be borne by the contributions made by the nations.

With regard to the selection of the four nations of the central committee, I can only say that the agreement was delivered at Atlantic City after it had been signed by the forty-four nations the day before in the form in which it is. There must have been negotiations at the diplomatic level, which resulted in those four nations being selected. In connection with this agreement the argument can be advanced that there is a special reason why the supreme powers should have a special position, namely, that the administration of relief will take place as countries are liberated by the armed forces of the united nations, and those armed forces will principally be the forces of the four greatest powers. That liberation will be followed by allied military occupation and by the administration of relief by the allied military governments. During that whole period those powers will wish to have an effective say in affairs. But I point out that the central committee has power to make decisions relative to policy only between meetings of the council, and those decisions must be communicated to the members of the council, and are subject to review by the council. Therefore there is an effective check in that respect.

While I am on my feet may I reply to a question asked by the hon. member for Parry Sound. He asked what the position was regarding voluntary agencies such as the international Red Cross. The agreement provides in article IV, section 2:

> Foreign voluntary relief agencies may not engage in activity in any area receiving relief from the administration without the consent and unless subject to the regulation of the director general.

That is necessary in order to exercise control. At Atlantic City the council passed resolution No. 9 dealing with welfare services and volunteer relief agencies. I shall read section 2:

That it shall be the policy of the administration to enlist the cooperation and seek the participation of appropriate foreign voluntary relief agencies, to the extent that they can be effectively utilized in relief activities for which they have special competence and resources, subject to the consent and regulation of the director general in accordance with article IV, paragraph 2, of the agreement.

Therefore the resolution expressly directs the director general to utilize the cooperation and assistance of such agencies. I understand that committees have been set up in the United Kingdom and in the United States to coordinate the activities of such agencies.

Mr. REID: While I realize this agreement has been signed and nothing that we do or say can alter it, yet the members of the House of Commons have a duty to examine the bill closely and to obtain the fullest information possible before it becomes law. I should like to ask the parliamentary assistant a question based on article I. In that article I see no mention made of the statement which appears in the preamble. I presume that the nations signing the agreement would pay little attention to the preamble. After the agreement is signed and it comes into effect, the governor general in council, and the council of nations will look to the articles themselves in the carrying out of the agreement. They will not look at the preamble. This is what the preamble says:

Being determined that immediately upon the liberation of any area by the armed forces of the united nations or as a consequence of retreat of the enemy the population thereof shall receive aid and relief from their sufferings, food, clothing and shelter, aid in the prevention of pestilence and in the recovery of the health of the people—

That part of the preamble is carried out in article I, but the following portion of the preamble is left out. I can see no mention of it at all. To me it is very important. I shall read it to the committee:

—and that preparation and arrangements shall be made for the return of prisoners and exiles to their homes and for assistance in the resumption of urgently needed agricultural and industrial production and the restoration of essential services.

It seems strange to me that although the preamble outlines the duties of the united nations, yet when it comes to the agreement itself that very important provision is left out. I think an explanation of that is due the committee.

The other matter I had in mind has to do with article IV, section 5. This is the section in which I am interested:

The director general—

Who, by the way, shall have the power to administer the agreement.

—shall make periodic reports to the central committee and to the council covering the progress of the administration's activities.

Then, Mr. Chairman, listen to this:

The reports shall be made public except for such portions as the central committee may consider it necessary, in the interests of the united nations, to keep confidential.

If there is one thing that has brought about great distress in Europe, it has been secrecy, and I thought we were heading into a new era when these reports would be open to the world, because surely there will be nothing to hide. Canada, however, is not a member of the central committee, and accordingly will have no say as to what parts of the reports should be kept confidential and what parts may be made public, and it seems strange that no protest has been made in regard to this section. I should like the hon. gentleman who is in charge of the bill first to answer the question I asked and then to give the reason why the director general should submit his reports to the central committee rather than to the council of nations.

Mr. CLAXTON: It is quite true that the words in the preamble to which the hon. gentleman made reference are not repeated in article I, but if the agreement is read as a whole I think it will be found that there are references throughout to services for the relief of victims of war and similar expressions which would be sufficient to carry over the expression in the preamble. I refer to section 2 of article I, which reads:

To plan, coordinate, administer or arrange for the administration of measures for the relief of victims of war in any area under the control of any of the united nations. . . .

Those who have been displaced from their homes are "victims of war".

Mr. REID: Through the provision of food only.

Mr. CLAXTON: Not only that; "through the provision of food, fuel, clothing, shelter and other basic necessities, medical and other essential services". Therefore I would suggest that this form of words is sufficient to carry over from the preamble the language to which the hon. member has referred. In further explanation I may say that the resolutions adopted by the council at Atlantic City make

specific reference to dealing with the problem of displaced persons. I refer particularly to resolution No. 10, which gives in great detail recommendations as to the policies to be adopted by the administration.

In regard to article IV, in which it is provided that the central committee may prevent certain parts of any report from being made public, I should recall to hon. members the fact that probably this administration is going to operate while the united nations are still at war. I can imagine that reports are marked "most secret" which deal with the assessment of requirements in occupied countries, with sources of supply, with shipping schedules and similar matters which certainly should not be made public to-day. I suggest that is sufficient reason for putting this provision in the agreement.

Mr. MacNICOL: A few moments ago the parliamentary assistant made reference to Russia, and that encourages me to ask what is going to happen to Roumania as far as UNRRA is concerned, after that country has been liberated by the Russians. Will Roumania, which was an enemy nation, be entitled to relief under this programme?

Mr. CLAXTON: The position of enemy countries is dealt with in resolution No. 1, in part I, section 3, which reads:

> If it appears necessary for the administration to operate in an enemy or ex-enemy area in carrying out the purposes of the agreement, it will do so only from such a time and for such purposes as may be agreed upon between the military command, the established control authority or duly recognized administration of the area on the one hand and the administration on the other, and subject to such control as the military command or the established control authority may find necessary; provided that the council approve the scale and nature of the operations it is proposed to undertake and the standard of provision, and that all expenses connected with such possible operations in an enemy or ex-enemy area should be carried by the enemy or ex-enemy country concerned.

That is part of the provision. At the time of the first meeting of the council in Atlantic City the war had not reached a stage where it was possible for the nations to work out in very great detail policies with respect to the treatment of enemy countries, but I think it may be safely assumed that at the meeting to be held in Montreal on June 23 this will be one of the questions to come before the council for further attention. I should point out that it is not expected that UNRRA will operate in any field until after the military authorities have turned over to it the administration of relief, so that there is still some time for the working out of policies as well as for the accumulation of supplies.

Mr. ROEBUCK: The success of this agreement will depend very largely upon the business ability with which the policies of the general committee are carried out, and I observe with some consternation the method of appointment and, worse, the method of disposal of the director general, who is to be the Pooh-Bah of the business end of this agreement. If we turn to article IV, under the heading "director general" we find that section 1 reads:

> The executive authority of the united nations relief and rehabilitation administration shall be in the director general—

If you look through the other paragraphs you will see the very great powers that are placed in the hands of this individual, how he appoints subdirectors, who in turn take care of the rehabilitation, supplies and so on that are to be made available through the votes of the member nations. Then observe:

> —who shall be appointed by the council on the nomination by unanimous vote of the central committee.

In other words, it is going to be difficult to select an individual who will receive the unanimous approval of the four members of the central council, but once he has run that gauntlet notice this:

> The director general may be removed by the council on recommendation by unanimous vote of the central committee.

In other words, as long as this individual can retain one vote on the central committee, he is secure and can carry on the business of the united nations as he sees fit. Then observe:

> The central committee of the council shall consist of the representatives of China, the Union of Soviet Socialist Republics, the United Kingdom, and the United States of America. . . .

The important thing in that clause is that Canada is not included, though in my judgment Canada has now achieved the status of nationhood and stands fourth in military and economic power. Possibly without the aid of Canada in the carrying forward of our present war effort the result attained might have been different. Canada's place in the post-war world, in the rehabilitation of the down-trodden nations, can scarcely be overestimated in importance; yet this council, which must be unanimous in the appointment of the director general who spends our money, does not include a representative of this country. I would be much better pleased with this agreement if Canada were represented on the central committee. I would also be better pleased and more hopeful of the successful outcome of this agreement were

the director general subject to simply a majority vote in the retaining of his position. The position is not dissimilar to that occupied by Mr. Hoover following the last war. Those whose minds go back that far will remember that while Mr. Hoover achieved a great reputation in the work he carried out, he was by no means free from criticism in the doing of that job.

It is a difficult job, and its success will depend upon the favour received from those who supply the money. That is not a democratic arrangement. I suppose, as the hon. member for New Westminster has said, that this agreement has already been signed. As one hon. member opposite has already pointed out, it is rather too bad that agreements of this kind are completed and signed before deliberative assemblies, such as this one, have any chance to apply their combined wisdom, and bring out those little points of criticism which might otherwise be missed. It is too bad that we have adopted that method, and that we have followed it for so long. I do not criticize the procedure in this instance only. There is something to be said for the rule in the United States which requires ratification by the senate of any treaty entered into by the United States. So far as the senate of that country is concerned, I do not approve the two-thirds rule; but I do approve the regulation which makes it impossible for the executive to bind the nation by an agreement with outside nations, irrespective of and without reference to the parliamentary institution of the country. It would be well if we changed the rule in Canada.

Mr. DIEFENBAKER: This afternoon I asked a number of questions, which the parliamentary assistant has not yet answered. One of my questions had to do with article V, section 1. With regard to that question I asked why it was that there was no equality, in so far as nations signatory to this agreement were concerned. Then, I should like to ask in connection therewith this question: If a decision is made by the central committee, and before ratification by the council, is that decision binding on the signatory members to the agreement? And in the event that a decision has been accepted by the council, is it then mandatory in its effect upon the members signatory to the agreement?

Then I asked a question as to what expenditures had been made, to date, in connection with the Mutual Aid measure, and the distribution among those expenditures with respect to the various commodities covered thereby, including agricultural and industrial commodities and the like.

I wish to return, too, to the question I asked last night in regard to appointments and recruitment of staff. At that time I asked what was being done in connection with the recruitment of staff to assist in the administration of the measure, once it becomes law. The answer given last night was that nothing was being done to that end. This evening the parliamentary assistant has pointed out that something has been done, and that a number of Canadians will shortly be trained for purposes of administration at a school to be convened in the United States. He said that appointments to administrative positions would be made on the basis of applications filed with the Department of National War Services. I should like to know under what authority that department is to have anything to do with the passing on of applications to the central authority. I would ask how it came to be named, and whether there is an order in council making provision for applications being considered by that department. To my mind it is a serious matter to find that appointments, so far as Canada is concerned, are not to be made by the civil service commission, but rather by a department of government. We would expect to find that the recommendations would pass through the commission to the central authority, or to Governor Lehman, who is charged with the responsibility of making those appointments. I should also like to ascertain how many Canadians will be sent over to take the course; and, as the scheme develops and becomes more or less all-embracing, has any estimate been made as to the number of Canadians who may be expected to secure employment under the scheme? Is there any information as to the basis of their qualifications, or the basis upon which they will be chosen?

Mr. CLAXTON: The hon. member for Lake Centre first asked a question with respect to section 1 of article V in the agreement, and seemed to indicate that in some way that article laid down some basis of unfairness.

Mr. DIEFENBAKER: No; inequality.

Mr. CLAXTON: The article reads:

1. In so far as its appropriate constitutional bodies shall authorize, each member government will contribute to the support of the administration in order to accomplish the purposes of article I, paragraph 2 (a). The amount and character of the contributions of each member government under this provision will be determined from time to time by its appropriate constitutional bodies. All such contributions received by the administration shall be accounted for.

There is, I submit, no room for misunderstanding there. The member governments are to contribute what their constitutional authorities determine. At the meeting of the council a resolution was passed dealing with the matter of finance, in which the recommendation was expressed that nations in a position to do so should endeavour to contribute one per cent of their national income, estimated by themselves, as at June 30, 1943. If they wished to give more, they could give more; and if they wished, they could give less. But nations like the United States, the United Kingdom and, we hope, Canada, will conform to the one per cent target set forth in the resolution. But the extent of any contribution is left entirely to each nation. There is no possible room for misunderstanding, and I believe there is none among the nations.

Then the hon. member asked if the decision made by the central committee, under section 3 of article III, was binding on the council. The article itself, I should think, made that clear.

Mr. DIEFENBAKER: No; binding on the nations until ratified by the council.

Mr. CLAXTON: UNRRA cannot bind any nation. No resolution of the council or of the central committee, and no resolution of any organ of UNRRA can bind any nation. All they can do is to make recommendations. It is an administrative organization, set up to administer funds made available to it by the contributions of the nations concerned. They cannot bind any nation. All they can do is, through the appropriate organ, to make a recommendation; and a number of those recommendations have been made. If the central committee decided, as a matter of policy, to include a new country, let us say, in the scope of relief, and that decision was unsatisfactory to the member governments, it could be reconsidered at the next meeting of council, and reversed by a majority vote.

The hon. member asked a question in connection with the Mutual Aid legislation. This is not a Mutual Aid act, and I would submit that now is not the proper time to ask that question. That can be dealt with properly when the measure on the order paper for Mutual Aid comes up.

As to the number of Canadians who will be trained in the United States to work for the administration, and the other questions asked in that connection, I have already pointed out that UNRRA is to set up an international administration with a genuine international staff. Canada will not make any appointments to UNRRA in any way shape or form, either through the civil service commission, or the Department of National War Services or any other department. But for purposes of convenience, if there are Canadians who would be interested in serving in work in the field and who have the necessary qualifications as welfare or social workers, they may forward their applications to the Department of External Affairs or to the Department of National War Services, and those applications will receive consideration. I understand that the actual appointments made will, however, be made by UNRRA itself, and the policies that are to be followed by UNRRA in making appointments have been laid down by the council.

Mr. DIEFENBAKER: That still does not answer the question as to what the qualifications are that have been laid down, or as to the number of Canadians shortly to take a course of instruction in the United States and the number who may ultimately be expected to be employed under this scheme.

Mr. CLAXTON: The number ultimately expected to be employed under the scheme depends upon the action of the administration at its headquarters in Washington and also upon the development of the services in the field. I have not the slightest idea how many will be employed under the scheme or how many Canadians will be found suitable for employment under it. But I am sure that applications from Canadians will receive consideration.

With regard to the qualifications required, I may tell the committee with all frankness that I only learned about this by long distance to-day. It is being developed exceedingly rapidly, and that information will be made available at the earliest possible date.

Mr. CASTLEDEN: I understood the parliamentary assistant to say that the administration will not have power to bind any member of the council by its action. I would ask him how he interprets section 1 of article 1, which reads:

> The administration shall have power to acquire, hold and convey property, to enter into contracts and undertake obligations, to designate or create agencies and to review the activities of agencies so created, to manage undertakings and in general to perform any legal act appropriate to its objects and purposes.

Mr. CLAXTON: I interpret that in the sense in which the words are used there. The administration in that sense is in exactly the same position as an international corporation which has power to acquire property and make contracts. But it has not the power to bind Canada as a state to a course of action to which our own legislative authority has not agreed by our own constitutional practice. It has not the power to bind any country.

Mr. CASTLEDEN: Until the government has agreed to any particular line of action.

Mr. CLAXTON: That is this government acting. Once we act, that is our action, not the action of UNRRA.

Mr. CASTLEDEN: That brings me to the point I had in mind. This government acts by order in council.

Mr. CLAXTON: This government in implementing the agreement acts in virtue of the statute.

Mr. CASTLEDEN: That is this bill?

Mr. CLAXTON: Yes. In implementing the agreement the government may act by order in council, but the number of actions that will have to be taken by order in council on anything other than in connection with purchases and the like should be exceedingly few. The kind of action I envisage has to do with the purchase of supplies or the setting up of agencies to purchase supplies to make up our contribution to UNRRA, or to supply UNRRA with what it wants to buy from us. Apart from that I can hardly conceive of anything of a legislative nature having to be done in order to carry out the agreement. It is true that the government might have to grant certain rights similar to diplomatic immunity with respect to the communication of dispatches or for the travel of representatives of UNRRA. Apart from what I have said, I cannot conceive of any legislative action that would be required in Canada to carry out the agreement.

Mr. CASTLEDEN: I would feel much better if the limitations were provided in the bill.

Mr. CLAXTON: We have to look at every piece of legislation with an eye to the purpose for which it was intended, and surely there is nothing alarming about the purpose for which this agreement is intended. If I judge the course of this debate, members in every quarter of the house are anxious to see us carry out what is necessary to be done to implement the agreement, and that is all the power that is sought here. I may tell the committee that the model of this bill was the Treaty of Peace Act of 1919. This is in substantially the same terms. I also point out that UNRRA is dealing with an emergency situation, and it is not expected that it will carry on for a great number of years. It is not expected that its operations will endure for probably more than three years after hostilities cease. That, I think, would be the minimum. That is one reason why those who drafted the agreement thought it desirable to fix the director general permanently in his office, because otherwise you could not get a man of the character that was wanted, a man of the charcter of ex-Governor Lehman, who was chosen by the unanimous vote of all the forty-four nations.

Mr. NOSEWORTHY: Is it not true that the only control that parliament can exercise over the administration of the legislation will be through the voting of the money that is required year by year, and that under the circumstances parliament will have very little choice but to vote the money? We certainly could not with any good grace refuse to vote our share of the money required for a purpose of this kind. Is it not also true that the governor in council is given authority up to the point where Canada's participation can be withdrawn through order in council, without the consent of parliament, as set forth in article X of the agreement?

Mr. CLAXTON: I do not think there is any possibility of Canada withdrawing. I am bound to admit that I am not competent to describe the kind of procedure that would be necessary to withdraw—whether it could be done by executive authority alone or would require the approval of parliament, I do not know. But I am fairly certain that no power given under this agreement affects whatever power the government has to withdraw from an agreement of this kind.

I submit again that I do not know of any other way of carrying out the provisions of this agreement. Parliament surely would not want to have brought before it fifteen hundred or two thousand orders dealing with the purchase of a hundred thousand bushels of wheat and various other matters of that sort. That is the kind of action that is to be taken under this power. In addition, there may be some other actions that may have to be taken, but, in so far as we can see, they will be of an administrative nature.

Mr. DIEFENBAKER: I still have not had an answer in regard to the employment of Canadians under this scheme. I do not want to refer to a subsequent section, but the parliamentary assistant for some reason does not seem to want to answer the question as to how many are going to take this course in the United States. If he does not know I will accept his answer.

Mr. CLAXTON: I have told the hon. member I do not know.

Mr. DIEFENBAKER: Will the information be furnished? I see in section 2 of the bill the following provision:

> The governor in council may make such appointments . . . as appear to him to be necessary. . . .

Mr. CLAXTON: I have assured the hon. member for Lake Centre that the governor in council is not going to make any appointments to the administration. It will not make a single appointment.

Mr. DIEFENBAKER: All right; we are not going to split hairs over that.

Mr. CLAXTON: It is not a question of splitting hairs; it is a question of stating what the situation is.

Mr. DIEFENBAKER: Very well. How many appointments is it expected will be made in Canada to carry out the provisions of UNRRA?

Mr. CLAXTON: I do not know, and I never will know, because that is a question within the control of no one within Canada or of the Canadian government. It is a question within the control of the administration itself, which appoints the staff.

Mr. DIEFENBAKER: This is what the section states:

> The governor in council may make such appointments . . . as appear to him to be necessary. . . .

Not the council, nor Governor Lehman, nor anyone but the governor in council of Canada.

Mr. CLAXTON: My hon. friend has now switched from dealing with appointments of people to work for the administration, to the question of possible appointees in Canada to work for Canada; and if I did not follow him earlier I am sorry. I am not in a position to say whether any appointments will have to be made to carry out the provisions of the agreement in Canada. So far as can be seen now, the arrangements between UNRRA and the Canadian government can be conducted through the ordinary channels and with existing agencies. It may be found necessary to appoint two or three people—perhaps a few more, but a very small staff—to handle the actual arrangements. I am not in the confidence of the government; but it might be anticipated, for example, that the arrangements between Canada and UNRRA would be conducted through agencies already existing such as the mutual aid board, the Department of Munitions and Supply, the Department of Agriculture, or the Canadian Wheat Board, and it may be that those agencies will be found quite sufficient. I am not in a position to go beyond that.

Section agreed to.

On section 3—Report to be laid before parliament.

Mr. GILLIS: There is just a point on that. I am in agreement with the hon. member for New Westminster and the hon. member for Trinity; it is surprising to me to find that as important a contributor to this scheme as Canada will necessarily have to be is not represented on the central council. Is the parliamentary assistant in a position to inform the committee why Canada has no representation on that central council? I think we should have an answer.

Mr. CLAXTON: That question has been dealt with, I think, three times, and I can give no further answer than I have already given. This agreement was an agreement of forty-four nations; it was worked out after it had been distributed on June 9, 1943, by the United States government, which was responsible for circulating it. Representations were made by various nations after that, and the agreement was signed in its present form. What diplomatic representations were made I am not in a position to say, and I do not think anyone would be.

Section agreed to.

Preamble agreed to.

Bill reported.

Mr. MACKENZIE (Vancouver Centre) moved the third reading of the bill.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion?

Mr. STIRLING: Next sitting. I suggest it is far more customary for a measure of this sort to stand on the order paper for one day.

Mr. MACKENZIE (Vancouver Centre): I have not the slightest objection.

Motion stands.

WAR APPROPRIATION BILL

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

The house resumed from Friday, March 31, consideration in committee of a resolution to grant to His Majesty certain sums of money for the carrying out of measures consequent upon the existence of a state of war—Mr. Ilsley—Mr. Bradette in the chair.

DEPARTMENT OF NATIONAL DEFENCE FOR AIR

Hon. C. G. POWER (Minister of National Defence for Air): On March 16, as reported at page 1539, my assistant placed on *Hansard* a certain number of answers to questions which had been asked during the course of

the discussion on the estimates of the Department of National Defence for Air, and some objection was taken. The hon. member for Yale said:

> I suggest that these answers be allowed to go on *Hansard* and at some time convenient to the minister for air and to the minister for naval services, supplementary questions can be asked.

I assume that supplementary questions are to be asked on those matters which were placed upon *Hansard* that day.

Mr. CASTLEDEN: If hon. members who are particularly interested in the questions referred to on that page are not here, I would point out that on February 29 the minister made a statement in regard to the closing of airports across Canada. He remarked, as reported in *Hansard*, at page 1029:

> We are not proposing a winding-up of the air training plan, even progressively, on the contrary we are providing, and have agreed with the United Kingdom for a continuation of the plan after March, 1945, the date on which the 1942 agreement expires, but a continuation with a reduced output, which reduced output will not be noticeable or in effect before eighteen months hence.

In the next column of the same page he said:

> I have already stated that the Royal Air Force transferred schools will be the first to close, beginning about midsummer and running well into next year. With respect to others, there are many factors to be taken into consideration.

The minister mentioned about nine of them—whether the property is leased or owned, whether it is required for civilian purposes, such factors as travelling expense between types of schools, costs of operation, disturbance to civilian economy, geographical location, air training conditions, fog area or obscure visibility, air congestion, et cetera.

About two weeks later he announced the closing of about twenty-eight schools, including eight in Alberta and eight in Saskatchewan. I should like to know from the minister, first, what relation these various items listed on page 1029 of *Hansard* have as regards other training schools across Canada, and whether the reasons which are given on that page are those which caused the closing of these schools in western Canada. Our experience in the west would lead us to believe that the conditions for flying training schools there were much superior to what they were in eastern Canada. Certainly the number of hours in which these schools are not operating because of air conditions or disturbance to civilian economy, obscure visibility or air congestion, would make us believe that the western area is the most favoured and suitable for air training.

The other question that occurs to us is this. With a plan of constant expansion continuing even until the late months of 1943, people are somewhat at a loss to understand the complete reversal of policy which necessitates the closing of twenty-nine of these schools across Canada, when we would have imagined that the plan would have worked to a certain level of peak production and then tapered off gradually. The continued opening of schools even late in 1943, followed immediately in 1944 by a reduction of about twenty-five per cent of the air schools in Canada, would seem to show a lack of planning there and, as I say, people are at a loss to understand it. Is there any statement which the minister can make in that regard?

Mr. POWER: I have already made several statements with respect to the closing of these schools. I made a statement to the press on December 3 when the first closing of schools took place; I made a statement to the press and to the house on February 16 as a result of a meeting with the United Kingdom representatives, and I also made reference to the subject of the closing of schools in introducing my appropriation on February 29. Perhaps the concrete reasons were not sufficiently clear to the house, and with the permission of the committee it might be well for me to go over them again as briefly as I can.

What we must bear in mind first is that the purpose of the British commonwealth air training plan was to man all aircraft which the commonwealth produced and which were planned to be manned by men from the British commonwealth. That was number one. Number two was that the contract between the partners, signed in June, 1942, expires in March, 1945, when normally all schools would have been closed, because that is the expiry date of the contract. It must also be understood that Canada trains flyers not only for its own squadrons but for the whole of the British commonwealth. It has an unlimited commitment to train flyers.

In the course of its work under this agreement Canada, before the end of this month, will have trained its 100,000th aircrew. On March 31 we had trained 92,000, to which must be added 5,000 who belonged to R.A.F. schools before R.A.F. schools became a part of what was called the combined training organization, and roughly the 3,500 whom we turn out every month.

The first intimation we received that there might be a curtailment in air training capacity

came in December. Up to that time we had already been told to turn out aircrew as fast as we could and as well as we could, and we did that. We fulfilled our contract. We fulfilled our contract so well that provision which had been made not only for expansion but for replacements was found to be adequate. When making provision, it is all very well to talk of planning, but it must be understood that planning in war, particularly planning the production of a certain type of human material, is somewhat more difficult than the ordinary planning for the turning out of shells or machines or something of that kind, and casualty rates must be taken into consideration. The high command figured that the casualties would be at a certain rate and they asked us to produce not only for expansion but for replacements up to that rate.

Fortunately, the allies obtained air superiority earlier than they had anticipated, with the result that the German air force is not so dangerous from the point of view of casualties as had been expected and that we have fewer losses in combat than were expected, particularly among pilots. We turned at one time, in 1941 and 1942, from combat with fighter pilots and fighter aeroplanes to heavy bombing. At that time heavy bombers usually carried a first and a second pilot, and it was decided by the higher command that they did not need a second pilot, so that they replaced him by a flight engineer or a wireless operator air gunner, and so on.

Most of our training originally was devoted to pilots. Now we find there is a surplus of pilots. When a bomber is shot down the loss is only one pilot; there are seven other members of the crew, but only one pilot. The German fighter air force have not been taking the heavy part in the fighting that was anticipated, and the result is that our casualties, thank God, have not been anything like what had been feared, so that at the present time there are more pilots trained than were expected. That is number one.

The margin that was allowed for is still there. It is not any indication that there is any intention on the part of the allies or on the part of the United Kingdom, where most of these aircrew go, that there shall be a slackening of the war effort. On the contrary, there is, first, the circumstance that we still have a surplus of pilots, and, second, that this year is to be the critical year of the war, and the United Kingdom and its allies are endeavouring to concentrate, so far as they can, all their fighting power in the front line.

As this committee well knows, there is an immense training organization behind the fighting line. This training organization can be pushed forward and utilized at the proper time.

As I said, there have been two changes. The first change took place in December when the Royal Air Force announced the desire to close a certain number of their establishments. St. Catharines in Ontario, Stanley in Nova Scotia, Caron in Saskatchewan, and Cap de la Madeleine in Quebec, were closed. All these except Caron were Royal Canadian Air Force stations. But in order to keep schools going in western Canada we closed R.C.A.F. stations in eastern Canada. Neepawa, which was an R.A.F. school, Estevan which was an R.A.F. school, North Battleford, Swift Current, Weyburn and Assiniboia were all to be closed, because the R.A.F. decided they wanted to bring their men home. By a reshuffle and by a shift of schools we decided to close the R.C.A.F. school in Moncton, because there was already certain congestion on that aerodrome owing to transportation work which was being carried on. We moved Moncton to Battleford, and we decided to close St. Hubert near Montreal, because there was also certain congestion there, and to fill the R.A.F. station in western Canada, Weyburn. Therefore there was no dislocation in western Canada; but we did close Stanley, Cap de la Madeleine, St. Hubert and Moncton in eastern Canada.

Then came the decision to hold an empire training conference in order to determine what was to be done after March, 1945. We have to hold a conference months in advance in order to lay out the plans for the purchase of aircraft, for the entrance into the scheme of trainees and so on, because aircraft cannot be purchased off the shelf. They must be ordered from eighteen months to two years in advance. Therefore we decided to have a conference with our other partners of the empire some time in the month of March. Before that, as a preliminary to the conference the air ministry asked if it would not be a good idea for the Right Hon. Mr. Balfour to come here to discuss these matters with us. He came here and after a certain amount of discussion announced to us that the United Kingdom government had decided to close a further number of their schools, in fact had decided to close all the R.A.F. schools properly so-called. They had decided to close them progressively during the course of the next year.

Mr. GRAYDON: How many would there be?

Mr. POWER: Oh, from twenty to twenty-five. He also advised us that the higher command had come to the conclusion that the

output of the plan should be reduced, beginning about fourteen to eighteen months hence. It must not be forgotten that a recruit entering the plan to-day, with the backlog that we have, in all probability will not strike the front line for from eighteen months to two years; therefore if we are to make preparations for closing this scheme progressively sometime it behooves us to begin reasonably early. It was decided at this conference that the air training plan would continue after March, 1945—that is number 1—but that it would continue at a reduced capacity with the output reduced about fourteen to eighteen months hence. Most of those schools will not close until between December 15, 1944, and January 1, 1945. Let us remember that. We are not closing the schools suddenly, as has been said in the committee; but we are advising the interested parties that this training scheme must begin to close up sometime and this sometime starts next fall.

I should like the committee to bear this in mind. I have never given these figures before but I presume I have to. I do not think there is any great secret about them now anyway. Whereas last year we produced about 39,000 aircrew, in 1944, the year in which we are closing the schools, we are going to produce 41,600, and with the 100,000 already produced we are going to have a substantial number of aircrew. There will begin to be a slackening up when these schools are closed and a slackening up in 1945; but I hope it will not be forgotten that at the present time we have a surplus. We are still producing at peak capacity or practically at peak capacity, and we shall be doing so up until the end of 1944. In order to slacken our capacity in 1945 we have to begin now. At the present time there are in the United Kingdom enough trained front-line aircrew for the expansion of all the squadrons required by the British commonwealth. Back of that we have all the replacements we require. We have all the men we need for 1944; with what is produced in 1944 we shall have the men required for 1945, and I presume with the backlog of the accumulation we shall have all the men required for 1946.

Now, I ask myself why we should continue training men in a hazardous occupation if they are not absolutely necessary, and why we should spend very large sums of money required for training? I have forgotten the amount it requires to train a pilot, but it is something over $20,000—

Mr. MACKENZIE (Vancouver Centre): $25,000.

[Mr. Power.]

Mr. POWER: Yes, $25,000 to train a pilot and a little more than that to train an observer.

Mr. GRAYDON: That covers overhead and everything.

Mr. POWER: That is the figure we have given. It costs somewhat less than that to train a gunner, and so on. I ask myself why we should continue training these men? After all we are contractors. We made a contract with the United Kingdom and the people of the governments of the British commonwealth to turn out aircrew in an unlimited quantity as long as they wanted them, but we cannot train men if they do not want them. To my mind it would be the height of absurdity, first of all, to risk the lives of these young men in the hazardous job of training and, secondly, to spend the people's money. That, I think, is the justification for the closing of the schools after it is no longer considered necessary by the higher command to train men. Do not forget we are not closing all the schools by any means because, I repeat, the air training plan will keep on after 1945.

There was some suggestion that there had been perhaps favouritism shown in closing schools in western Canada and in eastern Canada. Let us see what we have left in the way of flying schools. Prince Edward Island has three flying schools; Nova Scotia has three flying schools; New Brunswick has one; Quebec has four; Ontario has eighteen; Manitoba has eleven; Saskatchewan has six; Alberta has six, and British Columbia has four. With the exception of Ontario, where most of the recruits come from and where most of the schools were established in the early stages, the balance as between the provinces is fairly well kept.

Mr. HANSELL: The figures the minister has given are for a certain type of school, are they?

Mr. POWER: Schools where flying goes on. Of the twenty-eight schools to be closed several are Royal Air Force schools. The Royal Air Force say they want to bring their schools home, and I cannot stop them from doing so nor can anyone else. If they want to bring their men home that is their business, and I do not think any of us can criticize them, for they know their business best. They have said they want to bring their schools home in order to bring their men closer to the front line, so as to bring greater power to bear during the critical year of the war. That is the reason they give, and I think that reason should be good enough for any of us

The first of these schools is No. 31 O.T.U. at Pennfield Ridge; and in passing I may say that we have found it will be not only possible but necessary to keep that school open for another purpose, as a transport conversion unit. Recently, that is within the last two or three weeks, we have been advised that transport aircraft which were ordered two years ago, which were required for the purpose of transporting troops from one end of Canada to the other as part of the defence of Canada plan, aircraft which we were told not to expect until 1945, will be delivered in 1944. That is an indication that the United States aircraft industry is progressing far beyond perhaps what they themselves anticipated. The result is that we will be enabled to carry on the sort of training which I think will be best for our young men, particularly for the future; that is, training on heavy transports. In order to operate heavy transports one must have an aerodrome with a long runway. During the time we were somewhat anxious about the defence of Canada we decided to lengthen all the runways in the home war establishment in eastern Canada, and one of those was the runway at Pennfield Ridge. That school not only has a long runway; it has what I think they call a parallel runway, and from that point of view it is ideal for the purpose of carrying on with these heavy transports, these Liberators, which require a much longer take-off and landing space than the ordinary aerodrome where we have been carrying on training with Ansons and similar planes, where the runways are something like 3,000 to 3,500 feet in length. So that Pennfield Ridge will not be closed. Another to be closed is No. 31 E.F.T.S. at Winton, Alberta; that is R.A.F. Another is No. 32 E.F.T.S. at Bowden, Alberta; that is R.A.F.

Mr. GRAYDON: Does the minister mean that Pennfield Ridge will not be fully closed?

Mr. POWER: We will carry on training to about the same extent as hitherto in the R.A.F. schools. This was an R.A.F. school, an O.T.U. It is quite possible there will not be so many men there, or so many machines, but a Liberator carries a crew of seven or eight, whereas a Ventura, the machine they have been using, carried a crew of about four, so that I think it will balance up. There may not be quite so many men; I assume there are about 1,400 men at Pennfield Ridge at present, and perhaps when we take over there will be something like 1,000.

Then No. 31 bombing and gunnery school at Picton, Ontario, will be closed; No. 32 S.F.T.S., Moose Jaw, Saskatchewan, will be closed; they are both R.A.F. schools. No. 34 S.F.T.S., Medicine Hat, Alberta, R.A.F., is to be closed; No. 36 S.F.T.S., Penhold, Alberta, R.A.F., is to be closed; No. 33 S.F.T.S., Carberry, Manitoba, R.A.F., is to be closed. All these schools will close between December 15 and January 1, so that there is nothing very sudden about it.

The following schools were devoted to the training of the Royal Navy fleet air arm, and they say they no longer require them. These were two R.C.A.F. schools: No. 12 E.F.T.S. at Goderich, Ontario, and No. 4 E.F.T.S. at Aylmer, Ontario.

The following had been R.A.F. schools prior to December 15, and were made R.C.A.F. schools in the reshuffle of which I spoke, and under the new arrangement are no longer required: No. 39 S.F.T.S., Swift Current, Saskatchewan; No. 8 S.F.T.S. at Weyburn; No. 25, which was a former R.A.F. school, at Assiniboia, and No. 26, which was also a former R.A.F. school, at Neepawa.

Three of the schools to be closed are initial training schools. At present we have seven of these, and it has been decided that four will be sufficient to look after the reduced entries. The initial training schools are the schools to which the boys go before they start their actual flying experience, and the population of these schools is usually composed of young men beginning their training as pilots; at least these form the greater proportion of the population. It was decided to retain four schools of the seven, and it was thought best to divide them among the provinces. One was retained at Edmonton, Alberta; one at Regina, Saskatchewan; one at Toronto, and one at Victoriaville, Quebec. The three that are being abolished are at Saskatoon, Toronto and Belleville.

Of the remaining R.C.A.F. schools three are elementary flying schools where we train only pilots. These are at Fort William, Windsor Mills and Regina; they are to be closed. Of the service flying training schools, where only pilots are trained, the following are to be closed: Yorkton, Brantford, Dunnville and Macleod. These are R.C.A.F. schools; they are devoted entirely to the training of pilots and will be closed in December or January.

There are four wireless schools in Canada and it was decided to close one. It was thought that in the interests of civilian economy and agricultural planning it would be advisable to hand back to Ontario the school at Guelph which that province had kindly placed at our disposal, and we are handing it back to Ontario sometime in September or October of this year. Two

bombing and gunnery schools will begin their closing sometime late in December, when we shall have reached a point in our training of gunners where we shall be on the verge of achieving a surplus.

What is to become of these schools? In my statement I mentioned what was the long-range situation, and it is a situation which will be faced by every locality in which a school is located. Eventually these schools will be turned over to the Surplus Assets Corporation for disposal, and I presume they will be handed over to the Department of Transport.

Mr. GRAYDON: The minister means the War Assets Corporation?

Mr. POWER: Yes; and in due course the War Assets Corporation will ask the different departments of government what use the schools can be put to. I presume, if no other department takes them on, eventually they will be handed over to the Department of Transport, which looks after civil aviation.

For the moment we are not proposing to abandon any of these schools mentioned. In the first place, whatever our plans may be, we are certainly not going to abandon schools, when some eventuality might arise, because of which we might have to reopen them—not that I anticipate it, but simply because we want to make sure about that.

In the second place, we have some use for them. They will be utilized as aircraft storage units, which store and maintain aircraft required as stored reserves. They have an estimated service establishment of about 200. There will be aircraft holding units, which will hold aircraft being stored, and awaiting disposal by the War Assets Corporation. They have an estimated service establishment of approximately 100. There will be equipment holding units for storage of all types of R.C.A.F. equipment, which will have service establishment of about 175. There will be personnel holding units, because every now and then, particularly with these changes, and this reshuffling and shuffling, we find we must hold personnel between courses, and we have to put them somewhere. So that some of these units will be taken into personnel holding units for the storage of personnel awaiting another stage of training or, in some cases, awaiting embarkation, if they are backed up because of a shortage of shipping. There will be service establishments there of about 100.

Then there will be pre-aircrew education schools. Up to the present time a very large number of our men who come in have not quite reached the educational standards required for aircrew. We have been sending them to universities for that training. From now on, however, we will take on that job, ourselves, and instead of sending them to universities we will train them in our own units which have been or will be left available. That is for the training of pre-aircrew personnel, by R.C.A.F. instructional staff which was formerly carried on by the universities. That requires a service establishment of about 100.

I wish to put on *Hansard*—and I might as well do so now—what is going to happen to them all. Pennfield Ridge will continue as a transport conversion unit. Edmonton, Alberta, which was known as No. 2 A.O.S. will become No. 2 wing headquarters to the Northwest Staging Route. That is a very congested airdrome.

Weyburn, 8 S.F.T.S., will become an equipment holding unit.

Belleville, which it was announced might be closed, will now follow on, until December, 1944, as a flight engineer school.

Saskatoon I.T.S. will be returned to the lessor. It belonged to the normal school and Bedford collegiate.

Fort William will become an aircraft holding unit.

Goderich will be an aircraft holding unit.

Windsor Mills will become an aircraft holding unit.

Assiniboia will become a pre-aircrew education school, for about 240 trainees.

Neepawa will become a pre-aircrew educational school with about 240 trainees.

Dewinton will become an aircraft holding unit.

Bowden will become a pre-aircrew educational school with about 240 trainees.

Regina will become a pre-aircrew education school with about 170 trainees.

Brantford will become an aircraft holding unit.

Dunnville will be an aircraft holding unit.

Macleod will become an equipment holding unit. There is a very good hospital there, so that it is probable that we will use it as a convalescent hospital.

Yorkton will become an equipment holding unit.

Aylmer will become a flight engineers' school.

Moose Jaw will become a personnel holding unit.

Carberry will become an equipment holding unit.

Medicine Hat will become an equipment holding unit.

Penhold will become a radio maintenance unit. That will be for radio mechanics, and the maintenance of radio equipment.

Mossbank will become an equipment holding unit.

Lethbridge will become an equipment holding unit.

Picton will become a pre-aircrew educational school, with about 600 trainees in it.

Guelph, as I said earlier, will be returned to the lessor.

Estevan will be an equipment holding unit.

Swift Current will be a pre-aircrew educational school.

Mr. GRAHAM: What will be the number at Swift Current?

Mr. POWER: About 240 trainees at Swift Current.

Mr. SENN: What service establishments will be necessary at these aircraft holding units?

Mr. POWER: One hundred.

Mr. NOSEWORTHY: Is the department at the present time constructing, or completing the construction of any air fields?

Mr. POWER: I do not think so—well, when I say that I do not think so, I should add that in all possibility there would be certain buildings to be completed. I do know of one, where the school was about to close, and where we had to put a roof on the building. We do that; in order to preserve the property it would have to be done. But orders have been given, generally, to close all works. It must not be forgotten, however, that so long as we are in operation, just as if we were operating a plant or a factory, we will keep that plant up to the highest possible capacity. I am not going to let the plant go down just because there is a possibility of closing in the near future. We are not undertaking any new works, but we are not going to let the plants go down to nothing.

Mr. NOSEWORTHY: Probably the minister will explain why, in a return brought down on March 23 in my name, regarding the airfield at Mount Pleasant, Prince Edward Island, it is stated that up until February 20, 1944, more than $2,702,000 had been spent, and that there were commitments to date of something over $4,000,000. Does that $4,000,000 imply that there is construction work to be done, or work that has already been done?

Mr. POWER: I would think, frankly, that might mean that work would be done, because I know Mount Pleasant is now in operation. The work must be pretty well completed by this time. But there is always work to be done before the thing levels out and becomes as good as we want it to be.

Mr. CASTLEDEN: We are glad to have the minister's explanation, and I am sure it will do much to prevent further misunderstanding. In his remarks the minister did not say anything about the relative merits of schools in eastern and western Canada, so far as flying conditions are concerned.

Mr. POWER: I certainly have said many times in the house that if I had to start this plan over again I would prefer to go to western Canada. There is no question about that—except that certain operational training units might not be placed there, where it is important that the trainees become acclimatized to conditions somewhat similar to those which they will have to meet on the other side. But for ordinary elementary training, and perhaps for service flying training there is no question in my mind that the western prairies is the best country for it.

Mr. HANSELL: A great deal of concern has been registered in different parts of the country concerning the announcement that these air training schools were to be closed. Of course, if the war is soon to come to an end, and if that is the reason for the closing of the schools, the people may rejoice. On the other hand we do know that some are extremely concerned about the closing of the air schools and their concern is clearly from a business point of view. That must not be regarded as an indication that the people have selfish motives, but should be regarded only as an indication that they are interested in their business arrangements, and do not want to see them come to an end. Be that as it may, we recognize that it has to be done sooner or later. The question I would ask the minister is one that concerns many communities, and I would ask him to throw some light upon it. When the government desires to close certain schools, I should like to know the basis of their decision. For instance, the minister said that there were six student flying training schools in Alberta, and that four in Canada are to be closed, one of them being at Macleod. The question that is in my mind and in the minds of the citizens of Macleod is why that particular school has to be closed. I know that if the minister

announced that some other school had to be closed, the citizens of that community would ask the same question. What is the basis of the decision to close that particular school?

While I am on my feet let me say that I have had, as the minister would expect, a great deal of correspondence from people in the community of Macleod. I shall read only a paragraph from one of the letters to indicate that the people there are satisfied that the Macleod student flying training school is one of the best. The minister will know more about it and perhaps can confirm that opinion. Here is the paragraph:

> Macleod No. 7 S.F.T.S. was one of the schools closed. Now the record of this station will stand any investigation, the flying hours are among the highest, the health is exceptional, the upkeep has been small in comparison, the accidents have been almost nil, the surrounding country is level and lends itself to assisting forced landings; it is on the sewage system, the water is no problem, the lights are direct, everything would tend to make this station one of the easiest places to keep intact.

That is the tenor of most of these letters that I have received. Assuming that the Macleod training school is one of the best, I am wondering why that particular school should have to be closed.

Would the minister also mind telling me what are the six flying training schools located in Alberta?

I wish the minister would throw some light on this question of closing schools, because naturally the people of a certain town who have been informed that their school is one of the highest rating naturally ask why that particular school should have to be closed.

Mr. POWER: Every school has the highest rating. I do not know of any school that has not the highest rating. My hon. friend over here has a school in his constituency at Dunnville, an excellent school, but it was closed, and the same with the school at Goderich, an excellent school. The hon. member for Moose Jaw has had three schools in his constituency closed, at Moose Jaw, Caron and Mossbank, all excellent schools, but they are all closed just the same. We closed an elementary school, an excellent school too, in the constituency of the Prime Minister. I closed an elementary school in my own constituency once. It was an excellent school, with an excellent man in charge, but it was closed. We have to close them somewhere. The R.A.F. schools closed first, and we have to close something like an equivalent number. I do not know that there are many reasons I could give why one particular school should be closed more than another, except that the officers of the department checked up and said that they thought it should be done. In some cases I intervened. I thought Brantford could stand the closing of its school without interfering with its economy because it is a manufacturing town where a lot of manufacturing is being done. Regina had two schools, and one had to be closed. The same with Saskatoon, where there were two schools. We closed down the I.T.S. and left the other, and so on all down the line. I cannot give my hon. friend any particular reason for the closing down of the school at Macleod any more than I could with respect to the school at Yorkton. I do not know that I should be asked to go into these details. They are all good schools—the training is good; the sewage is good; the people are good; everything is good.

Mr. HANSELL: I quite agree with the minister that they are all excellent schools and I am glad at least to hear that the sewage is good. That is not the question I asked. The question I asked was as to the basis of the decision to close certain schools. I agree that they are all excellent schools, but they cannot all be the best. There must be one a little better than some of the others, and of course the people of Macleod think theirs is just a little better than some of the others. I am asking the minister the question so that I can satisfy my constituents. When I asked him the basis of the decision to close down certain schools he said—and I do not think it was a slip—that his officials checked up. What did they check up? Was it the efficiency of the school or what? I am not suggesting that there is any favouritism one way or the other. I think everyone in the house will agree that the minister's department is one department that has been run with exceptional efficiency. We have trained a great air force in Canada and credit has to go to the minister. But again I ask him the basis of the decision to close certain schools.

Mr. POWER: The officers looked over the schools. There is sometimes the question of travelling from one school to another, and so on. I do not think there is any particular reason why the school at Macleod should have been selected rather than some other. I really do not know. The officers came to me with a list of schools which they thought ought to be closed and in certain cases I intervened for economic reasons; for instance, at Regina and Brantford where normally the schools would not have been closed at all, but I thought those places could better afford to have their schools closed down than some other places.

Mr. HANSELL: What are the six service flying training schools in Alberta?

Mr. POWER: They are at High River, Calgary, Claresholm, Vulcan, the wireless school at Calgary—that should not be in, I made a mistake—I should have said five—and one at Pearce.

Item stands.

Progress reported.

At eleven o'clock the house adjourned until Thursday at 3 o'clock p.m., pursuant to special order made Monday, February 21, 1944.

Thursday, April 20, 1944

The house met at three o'clock.

CANADA-UNITED STATES RELATIONS

MESSAGE OF PRESIDENT ROOSEVELT THROUGH HON. RAY ATHERTON, UNITED STATES AMBASSADOR

Mr. SPEAKER: I desire to make a statement to the house.

After His Excellency the Honourable Ray Atherton, United States Ambassador, had presented his credentials to His Excellency the Governor General, he made a formal visit to the Speakers of the Senate and of the House of Commons, that through them he might tender his respects to both houses.

Mr. Speaker Vien and I returned the visit together and took the opportunity to express not only personal congratulations to His Excellency but the appreciation of Canada that the United States of America had honoured us by accrediting as ambassador to Canada one of the most distinguished members of its diplomatic service, a gentleman whose reputation had preceded him and who in the short period of his stay here has demonstrated vividly that his high qualities have not been exaggerated.

At the same time we expressed our profound thankfulness for the unbounded confidence which existed between our two countries, a confidence strengthened and cemented by that great occasion on 25th August last when the President spoke to Canada in this our own capital.

His Excellency was good enough to say that he would wish to convey our sincere tribute to the President personally. This he did, and on Tuesday last His Excellency received a letter from President Roosevelt. I have a copy of this letter, and I have permission to read it to the house:

The White House, Washington,
April 6, 1944.

My dear Mr. Ambassador:

I am glad that you told me in your letter of March 23, 1944, of the visit you received from Messrs. Vien and Glen of the Canadian parliament, and of their deep attachment to the great tradition of Canadian-American friendship.

At some appropriate time would you please thank them for their kind words of me, both when I was in Ottawa and when you spoke with them at the Chancery.

I wish also that you would tell them of the instinctive regard and affection for Canada and Canadians which a century and more of successful neighbourliness has engendered among Americans. It means much to us that Canadian-American relations have developed a quality all their own.

I think also that it can fairly be said that we Americans face the immense tasks ahead with greater confidence because of the practical lessons of the past, the strongly rooted co-operation of the present, and the concrete ideals we share for the future.

Very sincerely yours,

Franklin D. Roosevelt.

The Honourable Ray Atherton,
American Ambassador,
Ottawa, Canada.

I would like to say, and I believe the house would wish me to say, that Canada affirms and endorses these utterances of President Roosevelt, articulating as they do ideals which link our two countries. We have demonstrated in what are now ages the blessings of peace between nations; we are proving now that the pursuits of peace have neither destroyed nor impaired the virility of our peoples, and we shall in the future seek, in unity to dwell, a peace which shall be for the benfit of mankind everywhere based upon justice for all.

INTERNATIONAL AGREEMENTS

CANADA-NEWFOUNDLAND—CANADA-MEXICO—CANADA-UNITED STATES

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I desire to table exchange of notes between Canada and Newfoundland constituting the agreement for the settlement of claims arising out of traffic accidents involving Canadian and Newfoundland vehicles; St. John's, Newfoundland, January 24 and February 7, 1944.

Also exchange of notes between Canada and Newfoundland prolonging for a further period of one year the agreement on the operation of a commercial air service to Newfoundland

by Trans-Canada Air Lines, effected by an exchange of notes, February 6, 7, 9 and 27, 1942; St. John's March 1 and 2, 1944.

Exchange of notes between Canada and the United States of America constituting an agreement for the settlement of claims arising out of traffic accidents involving Canadian and United States vehicles, signed at Ottawa March 23, 1944.

Exchange of notes between Canada and Mexico recording the agreement in respect of conscription for military service in Canada and Mexico; Mexico, February 29, 1944.

Hon. R. B. HANSON (York-Sunbury): In connection with the exchange of notes between the United States and Canada in regard to the settlement of claims for injuries to members of the armed forces, as I gathered it, I desire to ask the Prime Minister if any arrangement has been made with the government of the United States whereby Canadian nationals may have some chance of getting claims against agencies of the government of the United States settled without having to resort to actions in United States courts. Perhaps I could go a little further and say this. It is a well known rule of international law that a foreign government may not be sued in Canada, we will say. That rule apparently is being extended to cover and include agencies of foreign governments which have incurred obligations in Canada for and on account of a foreign government. In a case that has come to my attention suit was brought against a foreign agency and a default judgment was entered; then, as I understand it, the Department of External Affairs intervened and asked that the judgment be vacated, on the ground of a breach of international comity. Personally I think that is carrying the rule a little far; but the effect of it, if accepted and carried to a conclusion, is that no Canadian national can recover in a court of law in Canada his just claims against a foreign government; he must go to the foreign country to pursue his claim, at great expense to him. If it is possible to make an arrangement in this regard similar to the arrangement made in regard to the subject matter covered by the notes tabled to-day, I suggest to the Prime Minister that some arrangement ought to be made to cover these claims for supplies and materials, we will say, furnished by Canadian nationals to United States government agencies in connection, for instance, with the construction of the Alaska highway. I know of one case where a bill of $30,000 has been unpaid for fifteen months. The person concerned has a judgment which he is being asked to vacate, and on which he cannot collect unless he goes to the United States to pursue it. Of course that ought not to be the case.

Mr. MACKENZIE KING: Perhaps my hon. friend would allow me to look into the matter and give him an answer to-morrow.

Mr. HANSON (York-Sunbury): Certainly.

UNITED NATIONS

APPLICATIONS FROM CANADIANS WISHING TO SERVE ABROAD ON STAFF OF UNRRA

Hon. L. R. LaFLECHE (Minister of National War Services): During the course of the discussion on Tuesday on the second reading of the bill for the carrying into effect of the agreement for United Nations Relief and Rehabilitation Administration, the statement was made by the parliamentary assistant to the President of the Privy Council that if any Canadians wished to serve abroad on the staff of UNRRA, applications might be forwarded to the Department of National War Services, which would pass them on to UNRRA headquarters at Washington.

As a result of the publicity which has been given in the press and over the radio to this matter, I should like to offer a word of explanation as to what the situation is at the moment. There are two classes of positions which UNRRA will be called upon to fill. The first includes administrative and executive posts, and the selection of personnel for these positions rests entirely with UNRRA. Canadians who may be interested in such opportunities should forward their applications direct to the Director General, UNRRA, Dupont Circle building, Washington, D.C.

Should any such applications come to the Department of National War Services, their receipt will be acknowledged and they will be forwarded immediately to UNRRA.

There is a second class of positions for work in the field which contemplates, I understand, small groups of planning and supervising personnel. It is expected that these positions will be filled from voluntary agencies interested in UNRRA activities. We have given an assurance to UNRRA that we shall be prepared to offer our best assistance in organizing cooperation between these agencies and in the recruiting of such personnel.

As mentioned by the parliamentary assistant to the President of the Privy Council, no indication has yet been received by the government as to how many employees will be required under this scheme, nor do we know the requirements in regard to experience.

However, in anticipation of the receipt of this information immediate steps are being taken to communicate with the voluntary societies and to set up the machinery to deal with applications. The voluntary agencies are being invited to communicate with my department and we will welcome inquiries from others interested in this work. In the meantime, any applications received by my department will be duly recorded and the applicants advised that as soon as any details are available, they will be informed as to the procedure to be followed.

ALBERTA PROVINCIAL BANK

MOTION FOR REFERENCE TO STANDING ORDERS COMMITTEE OF PETITION FOR INCORPORATION

Mr. J. H. BLACKMORE (Lethbridge) moved:

That,—

(1) The petition of Ernest C. Manning and others, of Edmonton, Alberta, presented on March 29, 1944, praying for the passing of an act to incorporate The Alberta Provincial Bank;

(2) The report of the clerk of petitions on the said petition; and

(3) The private bill deposited with the clerk of the house on April 17, 1944, based on the said petition;

be referred to the standing committee on standing orders to consider the suspension of,—

(a) Standing order 92 (late presentation of the petition);

(b) Standing order 93 (1) (late depositing of the bill); and

(c) Standing order 93 (3) (a) and (c) (consequential penalty charges).

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend has given the first intimation of his motion to the house itself. The government has had no previous knowledge of his intention to bring up this matter to-day, and perhaps he would oblige us by allowing the motion to stand until another day.

Motion stands.

CANADIAN NATIONAL RAILWAYS

APPOINTMENT OF GEORGE A. TOUCHE AND COMPANY AS AUDITORS

Hon. J. E. MICHAUD (Minister of Transport) moved for leave to introduce Bill No. 86, respecting the appointment of auditors for National Railways.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk)

GOVERNMENT FINANCING OF INDUSTRIAL CAPACITY EXPANSION

Mr. KNOWLES:

1. With reference to the report on the government-financed expansion of industrial capacity in Canada as at December 31, 1943, issued by the Department of Munitions and Supply, how much of the total commitment of $856,983,614 was allocated for use in each province?

2. How much of the total expenditure of $714,258,389 was expended in each province?

Mr. CHEVRIER:

1 and 2. It is impossible to give a money breakdown by provinces, that will properly reveal the extent to which each province is participating in war orders made possible by (a) government-financed expansion of industrial capacity, (b) the operations of crown companies, (c) by ordinary award of contracts.

LABOUR CONDITIONS—INSTRUCTIONS TO REGISTRARS

Mr. DORION:

1. Has the Minister of Labour given instructions to registrars under order P.C. 1355, section 6, subsection 1?

2. If so, (a) to whom; (b) at what date; (c) what were those instructions?

Mr. MARTIN:

1. No. The Minister of Labour has not found it necessary to act under section 6, subsection (1) of order P.C. 1355.

2. Answered by No. 1.

POSTAGE STAMP VENDING MACHINES

Mr. BOUCHER:

1. Has the government of Canada a contract with the Canadian Stamp Vendors Limited?

2. If so, does the company sell stamps by use of a stamp-vending machine?

3. What commission or profit is allowed to the company on stamps so sold?

4. What was the total amount of commission or profit accruing to the company on stamps sold by vending machine during each year since the contract was entered into?

Mr. MULOCK:

1. No. In 1938 permission was granted the Canadian Vending Machines, Limited, to install machines in certain locations for the sale of postage stamps, as a measure of convenience to tourists, transients and other members of the public who require stamps after

regular hours when post offices and ordinary licensed vendors are closed.

2. The machines vend stamps at the following prices: 4 one-cent stamps, 5 cents; 2 two-cent stamps, 5 cents; 3 three-cent stamps, 10 cents; and a notice to this effect is placed in the machine for the information of the public.

3. No commission is paid by the department to the Canadian Vending Machines, Limited. All stamps sold through their vending machines must be purchased at face value from the local post office of the city or town in which the machine is located.

4. The stamps sold through these machines of the Canadian Vending Machines, Limited, are in the same form as the regular rolls of stamps purchased by business concerns, using stamping machines, and as they are purchased at face value from postmasters in the same manner as stamps sold to the general public no record is kept of the amount of postage stamps sold in stamp vending machines.

COAL SUBVENTIONS

Mr. HANSELL:

1. How much has been paid by the government by way of subventions for the movement of coal in each of the years 1939 to 1943 inclusive?

2. To what firms and persons were these amounts paid?

Mr. CHEVRIER:

1. Subventions which were paid directly in Canada to the railways or coal mine operators or distributors are as follows on a calendar year basis:

1939	$4,092,399 26
1940	4,315,589 83
1941	4,489,229 05
1942	4,420,380 37
1943	2,533,084 18

2. Amounts paid during the calendar years 1939, 1940, 1941, 1942 and 1943 by way of subventions on the movement of coal and before deducting any refunds were as follows:

Firm	1939	1940	1941	1942	1943
Acadia Coal Co. Ltd.	$ 34,624 37	.....	.....	.....	.....
Algoma Central & Hudson Bay Railway	2,512 15	.....	.....	.....	.....
Canada Coal Ltd.	13,580 00	.....	.....	.....	.....
Canadian Collieries (Dunsmuir) Ltd.	211,083 28	$ 183,173 57	$ 74,025 83	$ 103,950 96	$ 32,851 02
Canadian Import Co.	21,083 98	37,863 53	.....	.....	.....
Canadian National Railways	666,475 23	1,545,588 68	1,005,680 12	939,767 61	538,220 28
Canadian Pacific Railways	954,765 35	1,005,386 51	1,505,576 03	1,051,168 01	125,018 93
Crow's Nest Pass Coal Co. Ltd.	.....	14,111 26	13,147 47	12,342 39	18,971 00
Cumberland Railway & Coal Co. Ltd.	37,354 41	14,492 16	2,872 50	.....	.....
Dominion Coal Co. Ltd.	1,949,937 04	830,030 39	1,604,348 87	2,126,859 27	1,656,428 29
Essex Terminal Railways.	987 83	356 08	.....	.....	.....
London & Port Stanley Railway	144 03	124 01	.....	.....	.....
Maritime Coal Railway & Power Co. Ltd.	6,540 28	5,564 84	3,379 71	4,247 74	108 70
Morrissey Fernie & Michel Railway	8,490 12	420 18	.....	.....	.....
Mountain Park Coals Limited	.....	17,375 62	13,201 29	8,854 26	.....
Northern Alberta Railway	78 97	.....	.....	.....	.....
Sydney & Louisburg Railway	110,850 01	669,265 87	269,421 53	178,880 97	164,378 39
	$4,018,507 05	$4,323,752 70	$4,491,653 35	$4,426,071 21	$2,535,976 61

PAMPHLET "EMPLOYERS' GUIDE"

Mr. DORION:

1. How many pamphlets entitled "Employers' Guide" have been printed?
2. How many have been distributed?
3. To whom have they been distributed?

Mr. MARTIN:

1. 550,000.
2. 469,500.
3. Direct mailing to individual employers, 162,000; to employment and selective service offices and regional offices, to be available to meet requests from farmers and supplementary requests from mercantile and industrial employers, 279,100; to divisional registrars of the mobilization section, to meet employers' requests and for information, 25,200; casual distribution to interested parties and enquirers, 3,200; on hand to meet further requests, 80,500.

PARACHUTES

Mr. LACOMBE:

1. Has the government awarded contracts for testing silk to be used in the manufacture or repair of parachutes to persons or companies in the city of Montreal?
2. If so, to what persons or companies have these contracts been awarded?
3. During the years 1939, 1940, 1941, 1942, 1943 and 1944, what were the amounts of such contracts?
4. During the same years, what sums of money were paid with regard to these contracts by the dominion government, and to whom were such sums paid?

Mr. CHEVRIER:

1. No.
2, 3 and 4. Answered by No. 1.

QUESTIONS PASSED AS ORDERS FOR RETURNS

BRITISH COLUMBIA SECURITY COMMISSION

Mr. FRASER (Peterborough West):

1. What is the total personnel of the British Columbia security commission, and what are the names, position or duties, and salary of each member?
2. How many are located in Vancouver; how many elsewhere than Vancouver, and at what points?
3. Has there been any reduction in the staff of the British Columbia security commission during the past fiscal year, and if so, by how many?
4. How many parcels of real estate formerly owned by Japanese have been disposed of by the custodian of enemy property to date?
5. What amount has been realized from such sales, and what disposition has been made of the funds so realized?
6. In what cities, towns or districts was the property situated which has been disposed of by the custodian?

WAR HISTORIES

Mr. DIEFENBAKER:

1. Will the official history of the first great war be completed?
2. How many volumes were to comprise the completed history?
3. (i) How many persons have been employed from 1918 to date in the preparation thereof, and what is the total expenditure to date for, (a) salaries, (b) other expenses; (ii) when is completion of the history expected?
4. What steps are now being taken to accord an official record with regard to Canada's participation in the present war?

FOREST RESEARCH

Mr. FRASER (Peterborough West):

1. Does the federal government do any research work on forestry projects other than those in the forest products laboratories in Ottawa, Montreal and Vancouver?
2. If so, what type of research work is being done, and by what agencies?
3. What were the federal government expenditures on forestry research projects in 1938, 1939, 1940 and 1941, (a) by the Department of Mines and Resources; (b) by the national research council?
4. What were the total expenditures of the national research council on all projects during the years 1938, 1939, 1940 and 1941?
5. What is the area of forest land in Canada?
6. How much of this land is considered as having commercial value at present?
7. How, and from whom were these data obtained? Are they based on actual ground or air surveys?
8. Were representations made to the Minister of Mines and Resources in May, 1943, in respect to federal assistance to the provinces for forestry work?
9. If so, was a brief submitted by these representatives?
10. What action, if any, has been taken in respect to these representations?
11. Did representatives of any forestry industry group meet with and make recommendations on forestry matters to the Minister of Mines and Resources at any time during the years of 1935, 1936, 1937, 1938 or 1939?
12. If so, what was the date of such meeting, and what actions, if any, were taken by the government in respect to these representations?
13. Is sales tax collected on all lumber sold in Canada?
14. Is sales tax collected on the production of lumber produced by small portable mills and sold in Canada?
15. How many such portable mills, if any, are exempted from the payment of sales tax on the lumber they produce and sell in Canada?
16. How many of these mills are located in each of the provinces of Quebec, New Brunswick, Ontario, Manitoba, and British Columbia?
17. What was the total of the taxes, other than sales tax, collected by the federal government from pulp and paper companies in Canada during the years 1940, 1941 and 1942?
18. What was the total of the taxes, other than sales tax, collected by the federal government from lumber companies in Canada during the years 1940, 1941 and 1942?

19. What was the total of the taxes, other than sales tax, collected by the federal government from pulp and paper companies and from lumber companies in Canada during the year 1943 (estimates only)?

REQUIREMENT OF EMPLOYERS TO REPORT EMPLOYEES FOR MILITARY SERVICE

Mr. DORION:

1. Has the government received any protest against the putting into force of the order of the Minister of Labour, dated the 28th January, 1944, authorized by order in council P.C. 9919 of the 31st December, 1943, obliging employers to report their employees even if such employees are their sons or relatives?

2. If so, from whom did such protest originate?

CANADIAN NATIONAL RAILWAYS

PROVISION TO MEET CERTAIN EXPENDITURES AND GUARANTEE OF SECURITIES AND INDEBTEDNESS

Hon. J. L. ILSLEY (Minister of Finance) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to bring in a measure to authorize the Canadian National Railway Company to issue securities not exceeding $10,549,500 in principal amount to provide the moneys necessary to meet capital expenditures made or capital indebtedness incurred during the calendar year 1944; to make provision for the purchase or refunding of capital obligations of the company, or of any company comprised of the Canadian National Railway system, during the said calendar year and for the issue of substituted securities for such purpose; to authorize the governor in council to guarantee the principal, interest and sinking funds of securities issued by the company for the purpose aforesaid; to authorize the making of temporary loans to the said company secured by such securities and not exceeding $10,549,500 in principal amount to enable the said company to meet such expenditures and indebtedness; with authority to give financial aid and assistance to other companies of the said national system.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

LABOUR CONDITIONS

PRESS REPORT AS TO WORKERS' DEMANDS RESPECTING POST-WAR FINANCIAL AND ECONOMIC POLICY

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): It is reported in the press to-day that at the session of the International Labour Organization which convenes at Philadelphia to-morrow, demands will be made by the workers' delegates for some machinery whereby world trade unions can help to direct any peace treaty or post-war agreements on financial and economic policy. This move if approved would, the dispatch says, greatly broaden the powers of the International Labour Organization, which are at present limited to labour and social policy. Approval of the idea is said to have been given by the British Foreign Secretary, the Hon. Anthony Eden. Has the government given consideration to this point, and, if so, what decision has been reached as to Canada's policy? Have the Canadian delegates to the meeting received any directions from the government relating to the matter?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The communication which the leader of the opposition has just read to preface his question is a mere press report. It makes no definite statement about anything. It says that the demands of the workers' delegates may be put forward for the reasons mentioned, and that it is rumoured or alleged that Mr. Eden was favourable. I would say to my hon. friend that the government has received no communication with respect to the matter one way or the other. If and when any communication is received it will receive due consideration.

Mr. GRAYDON: I take it there have been no instructions given?

Mr. MACKENZIE KING: There could not be any instructions because there is nothing on which to instruct anyone.

DOMINION ELECTIONS

PRESS REPORT AS TO STATEMENT OF MINISTER OF AGRICULTURE AT HANNA, ALBERTA

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): A Canadian Press dispatch of yesterday's date from Hanna, Alberta, says that:

Federal Agriculture Minister Gardiner told a nomination convention here last night he could not predict the date of the next federal general election, "but I advise you to get busy immediately." He said Prime Minister Mackenzie King had ruled against extending the life of the dominion government.

I do not know whether the word "government" was a misquotation or not.

Mr. CRUICKSHANK: Wait for Bracken.

Mr. GRAYDON: He is worth waiting for. I continue. Having in mind that the Minister

of National Revenue (Mr. Gibson), speaking in Hamilton some weeks ago, indicated that there was a likelihood of a federal election this fall, and in view of this further reported statement of the Minister of Agriculture, will the Prime Minister kindly inform the house if his views coincide with the views which his ministers are reported to have expressed?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I do not know that I am obliged to disclose my views on any matter, least of all on the subject of the time of a general election. I would say with regard to that matter that I have nothing to add to the statements I have made from time to time.

Mr. HANSON (York-Sunbury): We can assume it would not be before August 25—it could not be.

CANADIAN FORCES

ORGANIZATION OF WELCOME TO RETURNING MEN

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): An organized effort on the part of municipalities and groups of citizens across Canada is being made with the very laudable objective of giving to members of our armed forces who are returning to Canada a proper welcome when they arrive. Will the Minister of National Defence kindly inform the house as to what cooperation his department or other departments of government give to these organizations in connection with the work, and whether or not a lead is being given by the government to the formation of such welcoming committees in districts where no committees have been so constituted? Many citizens would like to be on hand to welcome our men from the services when they come back, but very often news of the arrival reaches the public only after the event has taken place. Perhaps the minister would be good enough to indicate what steps are being taken by his department to notify the next of kin of the return of these men and women, and also if it would be possible to inform the public as well as to the date of their expected arrival.

Hon. J. L. RALSTON (Minister of National Defence): I do not propose to make any extended answer to my hon. friend's question to-day because it involves setting out the procedure which has been adopted by the department under various circumstances. I wish to say to the house that there are two different classes of those who are coming home in respect of whom it is so desirable to extend warm welcomes—those who are on board hospital ships, and those who are on board transports. In the case of the hospital ships it is much easier to give notice in advance because of the fact that no security considerations are involved that is to say, the nominal rolls of those who are on the hospital ships are sent to us soon after they leave the other side, and it is public knowledge that the hospital ship is afloat. We are glad to make it known when the ship arrives and therefore are able to give more advance notice than we can in the case of the transports. In the case of the transports, security provisions prevent us from publishing anything about the arrival of the ship until at least twenty-four hours have elapsed. As a matter of fact men arrive in Montreal generally before it is known that the transport is in. But procedure has been adopted in connection with both cases in order to give the maximum of notice, and I hope to give the house a further statement on it within a day or two.

INQUIRY FOR RETURN

CORRESPONDENCE WITH SASKATCHEWAN MOBILIZATION BOARD

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): On March 6 of this year, or thereabouts, a motion was passed for the return of certain correspondence between the national war service mobilization board of Saskatchewan and certain individuals. Could the parliamentary assistant to the Minister of Labour tell me anything about that return?

Mr. PAUL MARTIN (Parliamentary Assistant to the Minister of Labour): I am glad the hon. gentleman has asked this question, for I was about to ask that he, together with the rest of the house, agree that we be not required to comply with the order. To do so would mean an examination of some 135,000 files in the office of the registrar at Regina. However, I believe the hon. gentleman is entitled to have the matter cleared up, and it is proposed to appoint a commissioner, perhaps under order in council P.C. 4020, to deal with the matter, to take evidence, and in that way bring it to a satisfactory conclusion.

Mr. COLDWELL: I have no desire to overwhelm the department with work, and I shall be glad to discuss the matter with the parliamentary assistant and to accept his suggestion.

CANADIAN ARMY

GRANTING OF FARM LEAVE

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): Some weeks ago the Minister of National Defence (Mr. Ralston) announced the regulations in regard to the granting to men in the armed forces of farm leave for spring work. That is now a matter of extreme urgency, because spring work is beginning on the farms. Together with many other hon. members of this house I have received complaints that in the administration of these regulations there is not the uniformity there should be, and that there have been unnecessary delays. I should like to ask the minister what is being done to make sure that commanding officers in all parts of Canada look into the applications for leave and make decisions thereon at the earliest possible day. Men are needed now, and decisions should be made without delay.

Hon. J. L. RALSTON (Minister of National Defence): I shall look into the matter and give my hon. friend an answer to-morrow.

LABOUR CONDITIONS

EXCLUSION OF PROFESSIONAL EMPLOYEES FROM PROVISIONS OF P.C. 1003

On the orders of the day:

Mr. J. W. NOSEWORTHY (York South): Has the Department of Labour or the national wartime labour relations board received any protest from the association of technical employees against the reported decision of the board excluding professional employees from the provisions of the new wartime labour relations regulations, and, if so, what consideration is being given to the protest?

Mr. PAUL MARTIN (Parliamentary Secretary to the Minister of Labour): I thank the hon. member for having given me notice of his question. It is true that a protest has been received from the national chairman of the association of technical employees with regard to a reported decision of the national wartime labour relations board excluding professional employees from the provisions of the wartime labour relations regulations under P.C. 1003. With regard to the consideration being given to the protest, it is necessary to quote the decision of the board, which reveals that such protests and their consideration have been anticipated. The decision of the board reads in part as follows:

. . . for purposes of the regulations, persons employed in a professional capacity shall be deemed to be employed in a confidential capacity, with the board reserving the right to review its decision in six months.

It will be recalled that the wartime labour relations regulations exclude from "employee" as defined, persons employed in a confidential capacity. By reserving the right to review its decision the board has realized that all interested parties require time in which to prepare their cases for presentation to the board at a subsequent date, when the matter will come up again.

INQUIRIES OF THE MINISTRY

STATEMENT OF MR. SPEAKER AS TO QUESTIONS ASKED ON ORDERS OF THE DAY

On the orders of the day:

Mr. SPEAKER: I would point out to hon. members that questions of a kind which should not be asked on the orders of the day should not be answered when so asked. I have endeavoured to enforce this rule as far as possible, but I must have the assistance of the house in regard to it. These questions should be placed on the order paper. To-day several questions of this kind have been asked and answers have been given. I do suggest that questions which are improperly asked should not be answered.

HYDE PARK DECLARATION

PRESS REPORTS AS TO SUSPENSION

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): I hope the question I am about to ask will be in order; it is prompted by the fact that to-day we welcome back the Minister of Finance (Mr. Ilsley). We are pleased indeed to see him looking so well, and hope his health will continue to be good. On Monday of this week I asked the Prime Minister a question with respect to the Hyde Park agreement, and the right hon. gentleman was good enough to indicate that he would answer the question when the Minister of Finance came back. I am only mentioning the matter now as a reminder, in the hope that we may expect an answer soon.

Hon. J. L. ILSLEY (Minister of Finance): I had hoped to be able to make a statement to-day, but it will not be possible for me to do so. I expect to be able to make the statement either to-morrow or Monday.

WAR APPROPRIATION BILL

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

The house resumed from Tuesday, April 18, consideration in committee of a resolution to grant to His Majesty certain sums of money for the carrying out of measures consequent upon the existence of a state of war—Mr. Ilsley—Mr. Bradette in the chair.

DEPARTMENT OF TRANSPORT

Air services branch—

3. Civil aviation: operation and maintenance of municipal (terminal) airports, $398,260.

Mr. D. G. ROSS (St. Paul's): I should like to say a few words in connection with civil aviation. There are many aspects of the problem, and when one reads the minister's statement respecting the domestic problem of aviation, and also the international air transport convention, he realizes the vastness of the subject. To my mind however the whole international situation is wrapped up with the question of civil aviation. This matter is both international and domestic, and the settlement of the whole problem will not be easy.

I should like to make a few observations respecting the domestic problems. It is proposed to set up a board, something like the board of transport commissioners, and, as the minister said, it will be charged with the responsibility of—

—advising the government on ways and means of bringing about a rapid and well-planned expansion of transport by air. The proposed board will examine the needs for new commercial services, and make recommendations for their establishment and expansion, in both the domestic and international fields; receive applications for the services and issue commercial licences; establish tariffs and regulate rates; examine the ownership, financial structure, operations, and financial position of carriers; make recommendations for needed financial assistance; advise the government on matters affecting the operation of existing aerodromes; report on the need for new aerodromes; and perform such other allied duties as may be determined.

I agree that this board should be set up, but I think it should be the intention of the government to give the board absolute freedom of action. They should have as much latitude as possible, should act as a judicial body, and should not be interfered with. The board must be free from government or political control, in order that it may operate in the best interests of Canada.

As the minister has said, the board will make a study of the whole situation. From time to time it will have to make decisions, and for that reason it must be free from political control. I believe Canada should wake up to the necessity of expanding, particularly in the field of air transport, farther than we have gone so far; but that expansion must be carried on through both public and private ownership. The board will be necessary under any circumstances, even if the government were to agree to the operation of Trans-Canada Air Lines as a non-competitive and non-profit system, with a monopoly of trans-Canada traffic. As the minister pointed out, a second system would probably be wasteful and unjustified at the present time. This may be so just now, but I must point out that our decision as to whether we should have a competitive system in the future will depend on the service given by the one publicly-owned system.

The minister points out he does not want to have a second system in competition because, as he has suggested, we have had an example of ruinous competition in our transportation systems. But I do not think competition in railway transportation systems, as we have seen it before, is parallel with the air transport situation. Moreover, it was competition not only between two systems, but among various systems subsidized by the government. That was what got us into trouble. There was the idea that Canada was not being adequately served and was not expanding sufficiently with one railway system, the Canadian Pacific. There was a clamour on the part of the public for further systems, and when those systems were instituted they found it easy to get subsidies of one kind and another from both provincial and dominion governments. We did in fact get into a serious situation.

The position in connection with air travel is not the same. As I see it, there is no doubt that Canadian Pacific Air Lines is threatening the position of Trans-Canada Air Lines in Canada. But Canada was fortunate in the fact that the Canadian Pacific Railway Company entered the field of aviation. We should be very thankful for the work it has done. I doubt very much if the north country in Canada would have been opened up to the same extent, during the difficult days through which we have passed, had it not been for the enterprise of the Canadian Pacific Railway Company, and its formation of Canadian Pacific Air Lines. In those times the small and independent private companies, or bush lines, for various reasons were on the verge of ruin. That was not altogether the fault of the former government, but rather the result of the times through which we were passing. Canadian Pacific Air Lines paid fair prices for

those lines, and in many cases gave employment to the men who had been their originators.

I think, too, that the Canadian Pacific Railway Company had in mind their tardiness in entering the field of bus and motor traffic, and they did not want to have a repetition of that type of competition in respect of air lines. Altogether it is my view that they deserve a great deal of credit for the position they have taken. There is no doubt that the divorcing of the air companies from the railways is a blow to the Canadian Pacific Railway Company. It may be justified at the present time—the minister seems to think it is, but I have some doubts about it. It is my view that a great deal of study is required before such a drastic measure is adopted. The same would apply to the divorcing of Trans-Canada Air Lines from the Canadian National Railways. Much study is required before that is done.

The minister has made a statement with respect to leaving the bush routes and feeder lines open to returned men. Well, to my mind that is just so much eyewash. Why has the minister changed his mind on this point? In 1937, as reported at page 2216 of *Hansard*, the minister said:

> In my view it is only reasonable that the railways should have a part in the development of air transportation.

Then the minister went on to give his reasons, and said:

> In the first place they are in the transportation business; and in the operation of air lines there are problems in common with the operation of railways.

What are these problems? They are maintenance of equipment, overhaul of equipment, the safety of passengers, and all that sort of thing. Can that be done better by a number of small companies, or can it be done better by one large company? The safety of passengers is a matter which must be given careful consideration. The minister went on to say:

> For instance, both must have ticket offices; both must have facilities for soliciting express and passenger business. The legal problems of both are more or less on a par, and a legal staff trained to railway transportation matters would be valuable in air matters. I could set out many other points where the services are more or less parallel.

As I pointed out a moment ago, there would be the question of overhaul, maintenance and so on. The minister continued:

> So it seemed to me from the start that in a properly organized trans-Canada system the railways should have a part.

The minister made a pretty powerful argument in 1937 for railway participation in civil aviation; why has he changed his mind? He continued:

> In any event, after the consideration of these matters the government has decided that its agency for transportation, the Canadian National Railways, should be the means of organizing this company, just as it was used as the means for operating such shipping as the government has owned, and the means of operating other government transportation facilities.

The Canadian National Railways, as the originator of Trans-Canada Air Lines, had to share the aeroplane business of Canada with the Canadian Pacific Railway Company, but, as the minister pointed out in his statement, the Canadian Pacific did not choose to enter into an agreement with the government. On the other hand, as I have indicated, they have done a splendid job in building up feeder lines and generally developing Canada. The minister continued:

> The question now arises: Have we invited the private interests to participate? That question was asked. May I say we did not need to invite them. They came from every part of Canada and the United States, and put on the most persistent lobby in Ottawa that I have ever seen.

Will that lobby be repeated? The minister continued:

> The only way we could make progress was to absolutely refuse to talk to them. We said, "Go back home. We will write our bill, and when we get it written and bring it down you will see it. If you then want any part in it we will give you the chance to discuss the matter." How could we make a deal on the one hand with perhaps a dozen clamouring aviation companies, or with one or two of them, and on the other hand bring down a bill which the government or parliament would approve?

Are we to have the same situation develop under this new system proposed by the government? The minister continued:

> The thing was absolutely impossible. Some one had to make up his mind as to the proper set-up, pick out the responsible people to take care of the initial financing, and after that sit down and see what these services had to offer in the way of experienced personnel, trained operators, and so on; and then decide whether one, two, four or some other number of private companies should be associated in the new organization, whether each would give it strength or otherwise, and then determine the final set-up accordingly.

Many years have gone by, and the Trans-Canada Air Lines and the Canadian Pacific Air Lines have been developed. I am amazed that the minister or the government should have changed their minds. If the Trans-Canada Air Lines, under the management of the

Canadian National Railways, have been successful and have been fulfilling the functions for which they were created, why should there be any change? The Canadian Pacific Air Lines is part of an organization, the Canadian Pacific Railway Company, which for years has been synonymous the world over with Canada and Canadian affairs. Have they not been giving the people the service they should be giving? Have they been exploiting the public? Have they been exploiting their employees? Is there something wrong with the service? Or is it simply that they are doing a better job than the government-owned organization and are thus threatening the government-owned system? The minister said that he did not want to have to meet ruinous competition, but in my opinion the divorcing of these lines from the railway will create competition of the worst kind in the carrying of passengers and express.

Has the minister changed his mind in relation to the legal problems? Instead of having a legal organization for each railway, he intends to have a multiplicity of legal organizations all over the country. This will probably be very good for the lawyers. Will the divorcing of the air lines from the railways facilitate the sale of tickets? The minister said in 1937 that the private interests came from every part of Canada and the United States and put on the most persistent lobby in Ottawa that he had ever seen. This will be repeated. I should like to know just why the minister has changed his mind. Perhaps a little later he will tell us. It is hard for me to find any justification for it, unless this is some more of what we call political eyewash. Is there any reason for this action on the part of the government? Is this an attempt to counter the policies of the C.C.F.? Is the government trying to go one better than the C.C.F. in the taking over of enterprises of this kind? So far as I know, the railways are running the air lines quite well. Not only that, but I think there is far more possibility of Canadian Pacific Air Lines providing positions for our boys when they return from overseas. If we are to set up a number of independent air lines, they will have doubtful success.

Is this being done because the United States have decided to divorce their air lines from their railways? I cannot help but think of the position of the feeder lines of Canadian Pacific Air Lines and realize that the shortest route to Europe and Asia is over the roof of the world. I believe one reason for this action is the fact that the Canadian Pacific Air Lines are threatening the position of Trans-Canada Air Lines. It is doubtful whether the maintenance of a monopoly in international traffic as a continuing policy is advisable. There is no sound reason why we should continue after the war a government-owned system along international lines. The well-entrenched United States lines which cross our border are constantly reaching out for additional entry permits. As I understand it, the United States have eight entries into Canada, while we have only one into the United States. There may be some military reason for this, but I do not think we want to have any competition so far as the development of our country and our airways is concerned. Certainly we should have a quid pro quo basis with the United States so far as entry permits are concerned; that is most necessary. We have the opportunities of developing our air lines, and Canadians should be able to do so on equal terms with our cousins to the south.

Another statement made by the minister is rather alarming. Speaking on March 17 he said as reported in *Hansard*, page 1578:

> Moreover, in thus establishing freedom of transit, countries such as Canada, which are strategically placed, will be making a very great contribution to an effective international system, particularly when, like Canada, their population is not great and the amount of traffic which they have to offer for international carriage would consequently not be large.

Our population not large, the amount of traffic we have to offer not great! That is not my understanding of Canada's position—the senior self-governing dominion, the fourth amongst the united nations from the standpoint of production of war material, the third or fourth largest trading nation in the world. Is this attitude commensurate with the fine achievement of the men and women of our armed forces, or with the assiduity and enterprise of our war workers as manifested by their magnificent accomplishments, or with the willingness of our people to make sacrifices, or with their support of our victory loans? These attributes which, more than anything else, we can read in the statute of Westminster, are the hallmarks of our nationhood. They indicate the important part that this dominion will have to play on the world stage in the days which lie ahead. Is the attitude of the minister as expressed in the words I have quoted commensurate with our untold natural resources to be developed, with our frontier opportunities to the north being more and more pushed back and opened up to us? Is not the past performance of Canadians indicative of the future possibilities of Canada? Is this attitude of the minister commensurate with our strategical position in regard to

Asiatic and European civil aviation prospects over the roof of the world? It seems to me that this kind of thinking shows an inferiority complex. "A small population and not much traffic"—that is not what we should be thinking about.

Another question: is our territory to be used merely as a convenience for international traffic? I do not think we ought to take that attitude. What Canada has to do is to assert her place in the aerial world, both as to world-wide transport and as to domestic and cross-frontier position. Canada's hinterland is still open for discovery. The pioneer spirit of our people must be maintained and further developed. There should be room for both public and private ownership of air transport. If there are opportunities for international and cross-frontier transport, the government must take advantage of them as quickly as possible. If public ownership is not adequate for this purpose, it must be done privately, but the government must see to it that we do not lose out. Take as an example the Canadian Broadcasting Corporation. The Havana conference gave Canada some sixty-one channels, only forty-four of which are occupied at the present time. I do not know how many channels the United States got, but I can tell you that they have 912 stations operating, while comparatively speaking we have very few. I do not think we should nourish an inferiority complex in this connection; we must stand up for our rights.

May I point out that the board, as it is to be constituted, introduces exactly the same principle as that advocated by the Canadian Association of Broadcasters, that is, an independent board free from government control. This proposal, of course, has been rejected by the Minister of National War Services, but I think a board of this kind would be equally valuable in connection with air transport and with radio.

As regards the proposed convention, as reproduced in *Hansard,* page 1582, article II, section 1 reads:

> Each member state recognizes that every state has complete exclusive sovereignty over the air space above its territory.

That is as it should be. But then we come to article V, section 4, which gives the duties of a regional council:

> To grant licences to operate international air services within the region; to withhold licences . . .

And so on. That, it seems to me, takes away the rights we have to sovereignty over our own air.

[Mr. Douglas G. Ross.]

In connection with the convention, if I were sure of Canada's power in representation being commensurate with her strategical importance, with the importance of her potential traffic as fourth trading nation, with her potential industrial and agricultural importance in traffic, with her importance as I have indicated before, not as having a population of 11,500,000 people, but of having 25 to 50 million in the not too far distant future, I would be more satisfied.

Can the minister tell us what the position will be? How many votes will Canada have? Who are the eight designated member states? What will be the proportionment of votes? Will Canada have one or six? Will Canada be one of the designated states?

One factor which must not be overlooked is that Canada's area is vast and the problem of policing the air will be one of much moment. It cannot be taken too lightly to see to it that innocent passage over the country is only innocent passage, and not preparation for future aggression.

Another factor: What effect will this convention have on Canada's position in the commonwealth of nations and the British empire? Will it still be possible for the commonwealth and British empire to have an air transport plan? Are there any understandings with the other empire countries—Australia, New Zealand, South Africa, Great Britain and Ireland? Are there any understandings with the self-governing colonies? For myself, I think that Canada has a strategical position in the British commonwealth of nations. Under the statute of Westminster she is a free sovereign and independent nation, and she cannot stand aloof from the world in extreme nationalism. We know that now. We know that distances have very greatly shrunk. We hear rumours of non-stop flights over distances which are far greater than merely across the Atlantic. Canada therefore must assume her responsibilities as well as her advantages in world affairs. She may well, by means of aviation, be one of the strongest forces in knitting together the commonwealth and empire as a power for good and peace in the world. She must be a strong nation in a strong commonwealth and empire, and she can be a strong nation in the formulation of commonwealth and empire policies. Her position and facilities must not be used as a mere convenience. We can use the words of the minister as reported at page 1626 of *Hansard* and say that Canada may make "as great a contribution as possible to the successful solution of this problem", that is, the problem of international air transport. But this is so largely wrapped up in other

international affairs that in making the contribution to air transport she will of necessity make a contribution to peace and stability.

Canada has the opportunity of drawing together, in conjunction with our neighbour, the United States, the English-speaking peoples in their job of enforcing the rule of law and order in the world. In reestablishing the democratic way of life, Canada must have representative power equal to her geographical position, her strategic position and other future possibilities.

Mr. FRED ROSE (Cartier): I welcome the fact that the government has given and is giving some consideration to the problem of post-war aviation. I especially greet the decision of the government to implement Canada's air policy through the medium of a strong government-owned air line, both on the international field and on the main-line routes of Canada. I sincerely believe that under present conditions this approach by the government is best adapted to give the country efficient air transportation and to provide opportunities of employment for returning airmen and workers in the aircraft industry.

In his statement on air policy on March 17, the minister said that Canada's position carries with it great responsibilities and great opportunities. What are these responsibilities and opportunities? In my opinion they are as follows—and when I say in my opinion, unlike others who believe they have the last word, I realize that we are discussing something new, the most concrete discussion that we could have over something for the post-war period, and I am willing to listen to the arguments of others. I repeat therefore that in my opinion these responsibilities and opportunities are as follows:

1. We should strive for cheap, efficient air transport, both inside and outside Canada.

2. We should make the utmost use of facilities created during the war, but wherever these are not well adapted to commercial use they should be replaced.

3. We should create employment for returning air force veterans, both in the field of air transport and also in other fields.

In the interest of Canada we have the responsibility to adopt an attitude to the United States of America, the Union of Soviet Socialist Republics and Britain which will help promote the maximum cooperation in air transport development to our national advantage.

There is prevalent a tendency to overemphasize the importance of probable international air developments, at least as far as Canada is concerned. The glamour of rapid travel to far places stirs the imagination and focuses attention on the international routes. But a sober appraisal must come to the conclusion that economically domestic air transport will be much more important to Canada for a long time to come.

In order to get the possibilities into proper perspective, let us examine specific routes and traffic.

1. North Atlantic routes to England and Europe: For passengers and freight, both the United States of America and England will have the advantage over us.

Mr. REID: And Scotland too. Keep the record straight.

Mr. ROSE: You can include Scotland. They have powerful aircraft industries, and in addition a larger volume of traffic with which to keep their overhead down. However, there will most likely be sufficient traffic to support a line to the British Isles.

2. Trans-Pacific routes to Australasia and southeast Asia: The Americans have pioneered these routes and undoubtedly will be operating them again after the war. Canada could originate little traffic to these destinations, either passenger or freight. For somewhat the same reasons as enumerated previously for the north Atlantic routes, only more so, it would be folly to expect that Canada could operate in this area without tremendous losses. Many of the American experts do not expect the Pacific routes to be profitable for years.

3. Routes to South America: Again, Canada could originate little traffic and would face the competition of well established United States lines with a large traffic pool to draw upon. It would be extremely difficult to substantiate our right to enter this field, with the possible exception of Mexico.

4. Route to West Indies: Canada could supply a reasonable amount of passenger traffic and possibly some freight on such a route. Our trade connections with these islands and the established tourist travel to them lend some support to the need for an air service direct from Canada. If we also obtained the right to pick up passengers in the United States there is no question as to the desirability of starting such a service.

5. Trans-polar routes: These are the much-discussed short great circle routes from America to the Union of Soviet Socialist Republics, India and China. They traverse, however, a traffic desert for long distance, and this puts a premium on the maximum pay load to gross weight ratio. The long distances between inhabited places will necessitate long hops with fuel using up a substantial part of carrying capacity. This suggests the need for using equipment stripped of all non-essentials.

Since it would be extremely difficult to provide even passable passenger facilities on the ground in the polar area, the future of these routes appears to be largely for the carriage of freight where speed is essential. Conditions somewhat less rigorous would be characteristic of the route from Canada over Greenland to the Scandinavian countries and the northern part of European Russia. To make use of Canada's geographical advantages by operating the trans-polar routes would require the active collaboration of the Union of Soviet Socialist Republics. It is in this field that the greatest possibilities are apparent for taking advantage of our geographical position. We should operate a specialized air freight service over these routes. We should lose no time in beginning discussion of this question with the Soviet Union.

6. Carriage of freight anywhere in north America: Canada has led the world in the development of air transportation to handle freight which must reach its destination with all possible speed, such as repair parts, or freight destined for delivery in undeveloped and relatively inaccessible areas. If we could obtain from the United States reciprocal rights for each to carry this type of traffic anywhere in the other's territory, we should have no fear of obtaining our share of the traffic offering.

In addition to our international lines we should make a real effort to benefit from our geographical position by building up service functions to sell to foreign lines using our bases on their international routes. Besides the obvious fueling and servicing of planes, the provision of passenger accommodations, weather reporting and radio directions, we should consider the opportunities to be found in the opening up of free port areas in Canada for air traffic analogous to the great free port areas of the world for ocean traffic. For example, if Halifax, Montreal, Winnipeg and Edmonton were to become important cross-roads on international air routes, then there may be important possibilities in setting up free port areas at these centres, where goods of various nations can be interchanged and even processed without incurring the necessity of passing through customs. For all these services we would of course collect tolls from the foreign lines making use of them.

On the basis of these perspectives, what kind of international air policy is best suited to meet Canada's needs? Obviously the minister was correct in excluding from any general international agreement the question of cross border services of contiguous countries. We need this freedom of action to try to obtain from the United States the right to operate special air freight service anywhere.

Freedom of air transit, as defined by the minister in his statement, gives away the geographical advantages which Canada possesses without getting any advantages for us in return which are of practical use. The minister himself admitted as much when he said on March 17, 1944, at page 1578 of *Hansard*:

> Moreover, countries such as Canada, which are strategically placed, will be making a very great contribution to an effective international system, particularly when, like Canada, their population is not great, and the amount of traffic which they have to offer for international carriage would consequently not be large. On the other hand, the right of transit would be of particular benefit to those nations which have a great deal of potential traffic for international air services, but are less strategically located.

If this means anything, it means that Canada gets nothing useful in return for granting freedom of air transit, while countries like the United Kingdom and the United States do get very real benefits. Why should we give up this right so cheaply? What we should do is to grant this right in return for a very concrete quid pro quo, for example, from the United States some integration of the aircraft manufacturing industries in the two countries by which Canada may be guaranteed an outlet for certain definite types of planes which we can make here, plus the right for us to pick up and deliver in the United States traffic to and from the West Indies; from England, the benefits of cheap air mail rates to empire destinations; from the Union of Soviet Socialist Republics, reciprocal landing and freight traffic rights on trans-polar routes.

It is quite true that "our interest lies in a liberal course of cooperation with other nations," but "cooperation" does not need to be defined in such a way that it means giving away our natural advantages for nothing in return. Neither should we attempt to play dog in the manger. But it is quite within the realm of full international collaboration for us to ask for and expect to get some usable advantage, such as those just described, in return for making our airfields and services available to the air lines of other nations. As noted previously, for these services we provide we expect to receive a fair fee—not a hold-up charge, but a fair return for services rendered.

We do need, just as do the other countries, a multilateral agreement providing for such

things as uniform safety rules and air worthiness standards, uniform plane and ground markings and signals, joint accident investigation, weather and direction reporting. It would also be desirable for the various countries to agree on uniform operating standards and exchange information. Yet there are practical limits to which such an agreement can be expected to go under existing conditions. For example it is naive to expect that an international regulatory body will eliminate subsidies. Every major country that decides to have an international air line will have one whether it requires a subsidy to do so or not. In fact, there are many ways of subsidizing air transport indirectly, and no set of rules could successfully stop the practice. Only a few weeks ago, Sir Archibald Sinclair, the British Air Minister, told the House of Commons that British Overseas Airways Corporation would have to be subsidized heavily. A report of this speech appears in the *Wall Street Journal* for March 17, 1944.

The government policy, already established, of retaining control of all main-line air operations is sound. The minister stresses the importance of encouraging returning airmen to establish bush and feeder routes wherever practicable. I agree with this. I believe our returning airmen should be given all possible help in this respect. While the total employment thus created will not likely be large, it is a field to which the returning airmen will naturally gravitate. However, if they are to be able to start up new air line operations, no matter how small, most of them will require access to capital which is not readily forthcoming from the banks for such activities. It would seem, therefore, that if the government is sincere in its desire to promote this field for returning airmen, it should change the provisions of the Industrial Development Bank bill to make it possible for this institution to grant credit to the airmen to start up in business for themselves. Unless the government takes some such action to make credit available, the creation of post-war employment in this kind of activity will remain a pious hope.

The civil aeronautics administration of the United States Department of Commerce has been planning, and civil aeronautics administration officials have been giving publicity to, extensive domestic airport and facilities developments by the government after the war. It has been strongly recommended that in the first few years after the war the number of airports in the United States should be raised to 6,000, about double the present number. It is estimated by civil aeronautics administration officials that this will involve an expenditure of some eight hundred millions. At the present time about eighty-five per cent of airport facilities have been built with federal money, so that the planned extension of airport facilities contemplates, in effect, a gigantic public works project largely done by the federal government. This data on United States airport development was given in a speech by William A. M. Burden, special aviation assistant to the Secretary of Commerce, before the first national clinic of domestic aviation planning, Oklahoma City, November 11, 1943.

If domestic air transportation is to develop as it should in Canada, some comparable expansion of facilities will be necessary. Many of the war-time airfields are in locations which will be of no commercial value after the war, so that despite the expansion which the minister says has taken place, it is evident that much more will have to be done to equip Canada with the requisite facilities for a large expansion of both commercial and private flying.

For Canada, it is strongly recommended that the airport and airway developments be done by the federal government in order to obtain the best possible organization of facilities from the national point of view. The history of Canadian railroad building, where different municipalities vied with each other to obtain the line through their jurisdiction, should not be repeated with the airways. Financially, none but the largest municipalities can afford to build the type of airports demanded by modern transport planes. Therefore there are both economic and financial reasons for making the provision of airway facilities a federal responsibility. In this way, too, proper standards can be enforced.

The minister's comprehensive statement to the house and the tabling of the draft international air transport convention illustrate vividly the manner in which important post-war policies for Canada are being determined behind the scenes and the country half committed to a policy before any discussion of the issues takes place in parliament. The draft international air transport convention is a document of far-reaching implications. Yet this expression, or suggestion, of policy from Canada was presented to foreign governments for discussion without any previous expression of opinion by the people of Canada or their elected representatives. In this connection we have had a conference in Montreal, and very little is known as to what happened there.

The whole question of air policy, both domestic and international, is of such outstanding importance to the future of this country that it should be the subject of a complete and thorough investigation by a complete royal commission. To mention but a few of the important matters which need first a thorough presentation of the facts and then a discussion of policy based thereon:

(a) The future of the aircraft manufacturing industry: What should be done with the present excessive capacity for peace-time uses? Which plants are best adapted to continue production? What type of planes should they make? Should we produce aeroplane engines? What should be the relation of Canadian industry to its counterpart in the United States and England?

(b) The planned promotion of commercial operations in Canada: What government public works investment is necessary? Where should the additional facilities be established? How quickly can this be done? What research work should be the responsibility of the government as to safety measures, improved ground equipment and communications, new or specialized types of planes?

(c) The relations of air transport to other transport agencies: Will the best development of integrated transportation in Canada be attained by the divorce of air lines from the railroads? What changes are required in the organization and personnel of the board of transport commissioners to assure the competent regulation of all kinds of transport by this one body? Or can it be better done by a separate air body?

(d) The appropriate fields of development in international air transport: What routes can be best operated? What specialized services can we best offer? What kinds of specialized equipment do we need to develop? What undertakings should be done jointly with other nations? What are the necessary terms of an international agreement suited to our particular needs? What service functions can we develop and what should we charge therefor in connection with the operations of foreign air lines over Canadian airways? What bilateral arrangements should we promote with the United States to assure our air lines an equitable share of the trans-border traffic? Can we develop some integrated services with both the United States and the Union of Soviet Socialist Republics instead of starting out to try to compete with both?

Until a royal commission has developed the necessary information on all such points and presented it to parliament for discussion, how can we determine an appropriate air policy for Canada? The government should give an undertaking not to make any more commitments or to fly any more kites on tentative agreements until this royal commission has brought in its report and it has been discussed by parliament. Only on the basis of a thorough presentation of the facts can an air policy be developed which will effectively bring closer together not only the people of the various Canadian provinces but also the free peoples of the world.

[Mr. Rose.]

Mr. KNOWLES: I spoke on this matter at some length on March 20, immediately after the minister had made his statement on the subject of post-war civil aviation. Accordingly I do not intend to make a speech at this time, but I should like to direct a number of questions to the minister. I imagine he can be forgiven for not having answered the questions asked as we have gone along, in view of the fact that most of them have come in the midst of full length speeches, but I trust he will do me the honour of answering the questions I am going to put to him at this time. With your permission, Mr. Chairman, I should like to ask the questions one or two at a time, get the minister's answers and then ask others.

In connection with the domestic policy which the minister announced on March 17, I should like to ask if the government is planning to take over the northwest staging route and operate it under T.C.A. May I ask another question which is germane to this one. The magazine *Canadian Aviation* recently published an article concerning this whole subject, and if my memory serves me correctly the statement was made that Trans-Canada Air Lines was endeavouring to get control of this route. It was suggested that this was unfair to Canadian Pacific Air Lines and Yukon Southern, because they had been encouraged to go ahead with their developments in that part of the country and had no prior intimation that a course such as that now proposed might be adopted at some time in the future. In view of that suggestion I should like the minister, when he deals with this subject, to indicate whether Yukon Southern received any assistance from the government in pioneering that route, in the form of mail contracts or in any other way, and also whether in the early days Yukon Southern was given any intimation to the effect that at some time in the future the whole route might come under T.C.A. That is my first question, with respect to the northwest staging route.

Mr. HOWE: I think it has been stated in the railway committee that while Yukon Southern has an annual licence from the board

of transport commissioners, it holds a contract with the Post Office Department to carry mail on the route, which contract is cancellable on one month's notice. From the time that service was inaugurated, it has been made perfectly clear to Yukon Southern that the service was temporary, and that at some time the government would wish to operate the service by Trans-Canada Air Lines. The northwest staging route is part of an international route, and it is the policy of the government to operate international routes by Trans-Canada. Perhaps that will answer my hon. friend's questions.

Mr. KNOWLES: From that answer one might infer, then, that in due course that route will come under the control of T.C.A.?

Mr. HOWE: I would point out that two factors are involved. One is the international traffic and the other is the local traffic. I would not like to be quoted as saying that the government would take over the local traffic on the route. As my hon. friend knows, a number of mail stations are served by Yukon Southern, and I should not like to say how these will be served in the future. I will say, however, that at some time Trans-Canada will operate over the northwest staging route, at least to the extent of operating an international route.

Mr. KNOWLES: I think perhaps it should be on the record at this point, at least I should like to have it there, that when we speak of Yukon Southern we are speaking of a subsidiary of Canadian Pacific Air Lines. Further in the same vein I should like to ask if any consideration is being given to taking over the route down the Mackenzie or the route to Labrador.

Mr. HOWE: There is no established route down the Mackenzie. There are a few air stations which serve local points, a few landing strips which serve the Canol project and also local traffic, but at the moment there is no route down the Mackenzie river, and it is not the intention of Trans-Canada to operate a service in that area. In connection with the route from Montreal to Labrador, that route is flown by many planes, and a good deal of the local traffic is handled by government planes. I am told that Canadian Pacific Air Lines do not have a service there at the moment. The only operation from here to Labrador is by government planes, chiefly military.

Mr. KNOWLES: In connection with what I referred to as the route down the Mackenzie I should like to point out, though I said I was not going to make a speech, that this serves a part of Canada in which there is a great deal of mineral wealth. I believe on the C.P.A. air map of Canada a route is indicated in that region, and I hope consideration will be given to the taking over of this route, in view of its importance to the country as a whole. However, I have noted what the minister has to say in this connection. I should like also to ask if the minister could indicate to us what steps have been taken to make sure that when C.P.A. has been separated from the C.P.R. we shall not have the same interests operating the C.P.A. by whatever name it may be called, with the same financial power behind it and the same ability to threaten the position of T.C.A. or to threaten the policy of the government.

Mr. HOWE: I would not care to go any further than to repeat that it is the intention under this policy to divest the railways of their holding of air line ownership. I would not care to go beyond that at the moment.

Mr. KNOWLES: Could the minister say whether this matter will come before the house this year in the form of a bill or legislation of any kind, or is that asking too much?

Mr. HOWE: A bill will be introduced setting up an air transport board, but we shall have to wait until the measure is introduced to see just how far it will go.

Mr. KNOWLES: Now I should like to ask the minister if he feels that the separation of T.C.A. from the C.N.R. is really necessary, if it has any economic advantage or whether it is being proposed merely as a talking point to make it more convenient to insist that the C.P.R. divest itself of C.P.A. If I may repeat my question, is there any economic or other advantage to Canada involved in separating T.C.A. from the C.N.R.?

Mr. HOWE: It is the view of the government that air transport should be developed as such rather than as a subsidiary of surface transportation. The same view is held in all parts of the continent of North America. It is believed that air transport should develop free from railroad traditions, shipping traditions or the traditions of any other form of surface transport. It is a different type of transportation; it requires a different type of salesmanship and a different method of operation, and we believe it is good business at this time to make it an independent form of transportation.

Mr. KNOWLES: Is there to be any other body, apart from the government itself, which will serve as a coordinating agency among various kinds of transportation? There will be an air transport board looking after matters connected with aviation, and a similar board

connected with railway transportation. Is there to be a superior board to these, or will coordination of all kinds of transportation, including rail, bus, truck, air and water, head up in the government itself?

Mr. HOWE: Road transportation is within the control of the several provinces. The federal government has no jurisdiction over highway traffic. The board of transport commissioners have jurisdiction over railway traffic, and over certain types of inland steamship traffic. The air board will have jurisdiction over air traffic. I presume if there is any serious interference between rail and air traffic, the two boards can compare notes and work out their problems jointly. There will be no super-board coordinating all traffic.

Mr. KNOWLES: In the minister's statement on March 17 he referred, and with a sense of annoyance, to the fact that Canadian Pacific Air Lines had been able to get aircraft for its transport services, when Trans-Canada Air Lines and others had not been able to do so. In the publication *Canadian Aviation* to which I have already referred, the minister is criticized on the ground that the government, of which he is a member, should have known of this and should have been in a position to check on the whole question. Will the minister elucidate further?

Mr. HOWE: My hon. friend is quite wrong in saying that I spoke with a sense of annoyance.

Mr. KNOWLES: I will accept the annoyance, then.

Mr. HOWE: We were very glad indeed to see Canadian Pacific Air Lines obtain aircraft from the United States. The planes were obtained for military purposes, or to be specific, to assist the United States army in building the Canol project, and also in connection with work on the northwest staging route and on the Alaska highway. I simply pointed out that because of the fact they were serving that area, Canadian Pacific Air Lines did obtain aircraft. Trans-Canada Air Lines is a purely domestic service. True, it was performing certain military functions and carrying military personnel; but its appeal in the United States list of priorities was not as strong as that of Canadian Pacific Air Lines, which organization was performing services directly for the United States army. That was the only point I made.

Mr. KNOWLES: I should like to ask a question or two respecting the international aspect of the subject of post-war civil aviation. Once again may I express my appreciation of any step taken at any time to get something started which will deal with the problems of the post-war period. I have no hesitation in repeating that I am pleased that the government went so far as to throw into the pool its idea as to how an international air transport authority might be established. In fact it seems to me that a mere empire air scheme is not good enough for the kind of world we will have when the war is over. An empire scheme, if established, would in my opinion immediately call for the making of all kinds of bilateral agreements between the empire air authority and other countries or other combinations. After all, far-flung as the empire is, it would not be possible to carry on very extensive routes without crossing the territory of other nations, and it would be no time at all until an attempt would have to be made to reach agreements. My fear is that if we start off on that basis it will be no time at all until we have a certain amount of horse-trading as between certain countries or groups of countries. It is my opinion that right at the start we should pull all the weight we possibly can for an international plan in the field of international post-war aviation.

I have no hesitation in expressing considerable concern at the difficulty the world is having in making any progress along this line. Some time ago some of us dared to hope that an international gathering to discuss these matters was shortly to be held. A British United Press dispatch carried in this country on February 15 indicated that a post-war air conference was to be held in the United States within a few weeks after the date of that dispatch. The time the conference was to have been held came and went, but it was not convened.

This matter was dealt with in the issue of *Time* for March 27. In part it states:

> A United States-British-Russian-Canadian air conference was scheduled to take place in Washington in the third week of March. The third week came and went with no conference, but plenty of conjecture. The scheduled meetings were supposed to be mere preliminaries leading up to a full-dress united nations conference. But the preliminaries to the preliminaries turned out to be a caricature of the minuetlike delicacy with which diplomats approach foreign affairs.

I shall not read the article further, but it goes into details as to the number of plans for international gatherings which were mooted, and points out how all of them went on the rocks. *Time* then indicated that it looked now as though the best we could hope for would be a series of bilateral conferences. Since that time there have been a number of references in the house to bilateral conferences, and so far as this matter is concerned, that

now seems to be the recognized technique. I dare to hope that good will come out of these bilateral conferences; but, as I see it, it will be real good only if these conferences lead up to a real international gathering.

Now that this government has thrown into the pool its proposal, as contained in the draft agreement tabled on March 17, has it taken the lead in trying to convene an international gathering to discuss a plan? Further, since bilateral conferences are being held, has this government endeavoured to hold bilateral conferences with any nations other than those reported upon thus far in the press? Canada's position as the largest of the smaller nations places great responsibility upon her. One of those responsibilities is to make other nations smaller than Canada feel that there is a place for them in international councils and authorities of one kind or another. If the government is unable to get the major powers to meet in conference to discuss plans like this, I would hope that it would approach the smaller countries in South America and in other parts of the world and enlist their support and cooperation in the kind of thing the government has set forth in this draft agreement. I can pick out plenty of flaws in this agreement, but I am not going to dwell on them any more than I have already. I consider it is important to get something like this going and that the little flaws that might turn up are of no great consequence.

Perhaps I have taken a long time to state it, but my question is this: Has the government taken the lead in arranging bilateral conferences, or has it endeavoured to get an international gathering together? I hope the answer is, "yes". If it is not, I hope the minister will be able to give us the assurance that this kind of thing will be attempted by the government as soon as possible.

Mr. HOWE: The government of Canada has had discussions with all the British dominions, with India, with the government of the United Kingdom and with the government of the United States and has signified its desire to take part in an international conference with very wide representation. All the nations that are actively considering post-war civil aviation have the same objective in mind. At the present time bilateral conversations are going on between a number of them for the purpose of reconciling the views of the different countries, so that when the conference takes places there will be some hope of obtaining agreement.

Canada is active in that direction. It must be recognized that no group of small countries can have any great influence on the final outcome. I think we must question the wisdom of attempting to group the small countries together as a bloc to go into a conference of that kind. To date Canada is the only country that has placed its post-war policy before the world in detail. I think the fact that we have done so has been helpful. Canada's policy has been widely studied and commented upon, and the fact that it is a concrete policy will, I believe, tend to encourage other countries to make their policies detailed. I think we are making a contribution toward a final settlement. I do not know of any contribution we could make at this time that would tend more in that direction than the policy we are following now.

Mr. KNOWLES: Does the minister know whether any international conference on this matter is in prospect at the present time?

Mr. HOWE: To my knowledge no international conference has been called, but it is hoped that such a conference will be called. No time has been set but, as I say, conversations are going on looking toward the obtaining of sufficient cooperation among the major countries to enable the conference to work out a successful conclusion. Simply to call a great number of nations into conference, without having had earlier discussions, would not be likely to produce a plan that would be wise and to which all the countries present would agree. By having a number of plans discussed in bilateral conversations, it is hoped that some plan can be evolved which when put before a conference, will receive a considerable following.

Mr. REID: Now that Trans-Canada Air Lines are to be under new management and are to develop to greater lengths and heights, perhaps this would be an opportune time to bring up a matter affecting the service between Montreal and Vancouver. As the minister knows, the Vancouver air terminus is located on Sea island. Like Topsy, this airport, just grew up. It was started many years ago when a few air-minded individuals obtained a piece of land and on their own initiative and at their own expense started to develop flying. Great credit is due to those people. Following that, the city of Vancouver, which was looking for an airport close to the city and had no available land within the city itself, bought a large tract of land on Sea island, which embraced the original flying site.

Later on Trans-Canada came into the picture. They had to have an air terminus at which to land and they took over the terminus belonging to the city of Vancouver. This was developed until practically the whole island

was an air field. While this airport is ideal in many ways, it has one disadvantage. At certain times fog occurs and the result has been that planes have had to return as far as Lethbridge. Back in 1935 when the Trans-Canada began to realize that they were in the flying business permanently, they began to look for new sites throughout Canada, and a chain of sites was chosen by the pilots and aircraftmen of the company. A site known as Langley Prairie was chosen in the constituency of New Westminster. This is some eighteen miles from Vancouver and it was picked out as an emergency landing field. Since it was free from fog, planes which could not land at Sea island because of fog could land at Langley Prairie and the passengers could be taken into Vancouver or New Westminster by car.

Later on, with the approach of the war this and other fields were taken over by the Department of National Defence. When the war broke out some $150,000 had been spent on this field in clearing, levelling, seeding for grass, ditching and draining, and the whole field was made in readiness for aeroplanes. However, only the odd plane landed there. In 1940, schools were set up throughout Canada to train pilots and it was expected that this emergency field would be used as an overflow for some of the training schools. However, with the advent of Japan into the war the training schools on the Pacific coast were moved farther inland and operational schools were set up in their places to act as defence units in case of attack by enemy aeroplanes. The result is that the field at Langley Prairie has not been used. I suppose it has been thought that it is not large enough to be used by the large planes used by the operational schools at Boundary Bay and Sea island.

My suggestion to the minister is that something be done about this field. I would recommend that the matter be looked into, and in saying so I am not adopting what is sometimes termed "the Vancouver view" of wanting to "hog it all", because Vancouver has to have an airport and should have the airport at Sea island continued. But looking to the great development which Trans-Canada must have following the conclusion of hostilities, steps should be taken to find an airport close to the city of New Westminster or Vancouver and free from fog; and it can be found. Many projects were put before the department; but, since they were recommended by laymen or so-called laymen, the authorities just poohpoohed their ideas and turned down their suggestions.

I seriously advise the minister that the entire countryside be looked over, because we must have more airports than Sea island. Vancouver and New Westminster must have a better service. Although the flight from Montreal to Vancouver does not take very long, under certain conditions aeroplanes have had to turn back as far as Lethbridge. Under these circumstances it is time we had an airport better located than Sea island, close enough to Vancouver and New Westminster so that these cities can be reached by car, and one free from fog. Already we have one available at Langley Prairie, and I ask the minister to find out what use can be made of that field. I feel sure that if he does so, his officials cannot take the point of view now that it is of no use to them, because I remember that when the project was first put forward they positively asserted that it was one of the best sites in the country, although I think at that time I could have found a better site in that district. Now it sits, with $150,000 expended on it, not being used at all, although to my mind, since it is fog free, it would make a splendid emergency landing place for planes heading for Vancouver and New Westminster. I put this matter seriously before the minister and ask that note be taken of the suggestion.

Mr. HLYNKA: I view the subject of civil aviation to be one of the most important and far-reaching topics ever to be discussed in the Canadian parliament. Upon the policy governing civil aviation, and particularly what is termed "international air policy", will depend to a great degree the future of this nation's commerce. The policy adopted with respect to international aviation will undoubtedly influence our foreign policy. As a matter of fact the aviation policy in the international field can only reflect the foreign policy of a country, and vice-versa. The decision which Canada will have to make is so important and far-reaching that it may have a bearing on the whole course of our history. It will certainly be the turning point in our history, profoundly affecting the whole economic structure of Canada. Many are convinced that civil aviation is destined to become one of the most potent factors in civilization.

To discuss this subjects adequately one must discuss the foreign policy of Canada, particularly our future foreign policy. To my mind the two are indivisible. I should like only to remind the committee that air transportation will to a great degree displace land and water transportation sytems. This is what a reputable United States magazine, *Fortune,* has to say in its March, 1941, issue:

> Perhaps the most significant geopolitical fact of our time is the overwhelming possibility of the air as a new road to world power and trade.

Two decades ago, Admiral Sims stated categorically that "command of the air" gave "command of the surface, whether it be sea or land."

That article states further:

What does this mean to us? It means that just as men and nations from the beginning of time have fought for control of the sea and land routes as highways of commerce and communications, so must they inevitably fight for control of the air and for the ocean and continental bases, which, like the naval bases and bunker stations in the grand strategy of sea power, will enable them to fasten their grip on the coming routes of the air. It means that just as sea power dominated the conceptions of major nations fronting on the sea, so must the air increasingly dominate the conception of all nations having the technical skill, the industry, the capital and the imagination to embark upon it. And just as the shifting patterns of sea power held the key to the rise and fall of ancient empires, through the expansionist mercantilism of the 17th and 18th centuries and into the great period of the British sea power, so the unresolved patterns of air power must inevitably hold the key to the rise and fall of existing empires and others not yet born.

To quote further from the same article:

. . . what the rise of air power means to the future of . . . as a world power, not only in moral and strategic terms, but in terms of trade—in terms, finally, of the great merchant fleets of the air, the carriers of goods and people, which will come as certainly as the ultimate peace, and which like the merchant marine and the seafaring class . . . concept would constitute a "shield of defensive power" behind the protection of which we could, if attacked, develop a "reserve of strength."

So much, Mr. Chairman, for the importance of air transport system at this time.

May I now state that I am unequivocally opposed to the proposed air policy announced by the Minister of Munitions and Supply (Mr. Howe) on March 17 on behalf of the government. Unlike other hon. members who spoke on behalf of other groups in this house, I disagree with the civil aviation policy which this government has embarked upon.

First, in the domestic field, the proposed domestic policy as announced by the minister is purely and simply a state monopoly scheme. I do not believe in either private or state monopoly. Next, by adopting this policy the government is entering into the business field itself instead of directing the policy. Further, by adopting this policy the government will adopt the policy advocated by the socialists. It appears as though the government intends to head off the socialists by putting socialistic measures into practice.

In the international field I am opposed to the government's proposal for the following reasons:

1. The government's international air policy as announced by the minister is anti-British, anti-British commonwealth of nations, and anti-Canadian. It is pro-international world authority, which will operate under a financial dictatorship.

2. It is the negation of the principle of the British commonwealth and of Canadian sovereignty.

3. It is a move toward a world dictatorship under the authority of a world police force of international finance advocated by Clarence Streit. Incidentally, the government should tell us whether they received congratulations from Mr. Streit for putting his proposals into effect. If the proposal advanced by the minister is accepted and supported by this house it will constitute a segment of the international dictatorship scheme.

4. If Canada adopts the proposed international air policy it will have adopted a foreign policy which is international in principle and ideology.

5. The proposal discards and throws overboard certain heritage fought for by the British and handed to us with no cost to us whatsoever.

6. For the first time in our history I believe, the government has departed from a major common policy, from a policy which could have been very well worked out to serve the entire British commonwealth of nations.

Speaking in the house on March 17, the Minister of Munitions and Supply made several significant assertions and thereby revealed the strong leaning of the government toward internationalism and federal union proposals and away from the principles upon which rests the British commonwealth of nations. In *Hansard* of March 17, at page 1575, the minister is reported to have said:

The young men so engaged—

He meant in aviation.

—will be internationally minded.

On the same page he states:

There appears now to be a general agreement that this whole field must be brought under the control of a new and expanded international authority.

Another significant statement made by the minister on page 1577 was:

What is true of relations between the various parts of Canada is true also of relations between the nations of the world.

Then the minister made another statement which is most interesting:

The briefest fashion in which I can describe the situation which will exist at the end of the war is that the position and sovereignty of the Canadian government have been protected completely in all arrangements that have been made.

But a little later the minister forgot what he had said about the protection of Canadian sovereignty and made this statement:

As I have already mentioned, on April 2 last year the Prime Minister gave a statement of the government's position with regard to international air transport, making it clear that our policy would be one of international co-operation and collaboration and that we would support whatever policy seemed best calculated to serve not only the immediate national interests of Canada, but our overriding interest in the establishment of an international order which will prevent the outbreak of another war.

In explaining this view, the minister leaves no doubt as to the viewpoint which the government holds. It is plain that the government supports a world authority and has committed Canada to this international policy rather than to a common policy for the entire British commonwealth of nations.

It must be remembered that Canada is one of the senior partners of the commonwealth, and by taking this stand she influences other members of the commonwealth to take a similar stand. This can only result in diminishing the status of the British commonwealth of nations from a European world power number one to that of a secondary power. To my mind, a policy of this sort is the height of folly; it certainly is not in the interests of Canada.

Then at page 1580, March 17, the minister repeats the same viewpoint when he says:

Our representatives in the international discussions, therefore, will be authorized to support or initiate such proposals as, in the government's opinion, will be likely to result in the establishment of an international air transport authority. . . .

Finally, the minister endeavours to impress upon the house that when, under his chairmanship, the Canadian delegation participated in the discussions held in London in October last there was a "broad general agreement". This is what the minister said, at page 1579:

No final decisions were taken in London, but I may say that it was evident from the outset that all participants had the same general objectives in view—the objectives which I have described earlier in this statement—and that there was a broad basis of general agreement as to the way these objectives might best be attained.

The minister told us that there was a general agreement on broad principles. Well, let us see. In an article entitled "Britain in the Post-War Air" appearing in *Fortune* magazine, March, 1944 issue, the following report is given:

He said—

Meaning Lord Beaverbrook.

—the British government wanted to see if the dominions were prepared to work with it and with one another as a unit, and, if so, how far they were prepared to commit themselves to a basic policy. If we could establish a common denominator, then he would go to the Americans, and from them to the Russians. Afterwards we could deal with the rest of the world.

That I suggest was the proper stand to take. But the article continues:

But Canada and Australia came to London to argue that the air must be developed for the common good under an international body that would also keep the peace. Their representatives held fast to this thesis long after the Beaver had impatiently dropped it as impracticable.

The article said that "the British were prepared to be just as international in their air policy as the rest", and that "it did not take long for the dominion representatives to become convinced that a common policy was going to be hard to find". Yet the minister tells us that there was a general agreement. That is not all. The article states further:

Canada, the senior dominion, presents a special problem, in many respects the most serious of all.

One of the most important statements, however, is the following:

Now some Britons descry an anomaly in Canada's attitude toward her commonwealth partners. The Liberal government of Mr. Mackenzie King favour relinquishing control of international civil aviation to an international agency intimately associated with a world security body. Why then does it hold back from allying its air policy with that of an empire which even the South Africans, their traditional separatist instincts notwithstanding, have decided is still by a long way the most widespread and influential unit in world affairs.

And yet the minister told us that there was a widespread agreement.

Finally, the article has this to say about the agreement:

Nevertheless it is clear that his (Lord Beaverbrook's) scheme to forge a common empire policy has come—at least temporarily—to a dead end. In the phrase of the British foreign office official: "The conference agreed there would be no agreed policy."

How could there be when the senior member of the commonwealth is bucking in favour of international world authority? But the minister and the government are not alone in this. They have company in our Cooperative Commonwealth Federation group. The hon. member for Winnipeg North Centre said on March 20, as reported at page 1650 of *Hansard*:

On behalf of the group with which I am associated I wish to say without any hesitation that we welcome the statement made on Friday by the Minister of Munitions and Supply.

The leader of the C.C.F. party, the hon. member for Rosetown-Biggar, said on the same day, as reported at page 1656 of *Hansard:*

I think in the field of civil aviation we must have international understanding, international operation and international control. I should like to see the world go beyond where I think it can go to-day. I should like to see an international system owned internationally.

Further down he says:

I welcome this step forward.

So that there may still be a union of the Liberal and the C.C.F. parties. To be sure, it appears that the Liberal party is crowding the C.C.F. with respect to socialistic principles.

Mr. GRAYDON: Is the hon. member sure there is not a union now?

Mr. HLYNKA: That is what Clarence Streit calls it. They are apparently travelling in the same direction and much along the same path at least in this international arena.

The hon. member for Winnipeg North Centre quoted Lord Bennett in support of the government's proposal. May I quote Lord Bennett's more recent view which he expressed in the British House of Lords on this subject, when he said:

Unless this country recognized the importance of air, largely as a substitute for sea, with respect to our prestige and importance and place in the world, we shall cease to be a first-class power. That is a terrible statement to make, but I believe, and I believe it strongly.

Again, as late as March 29, the Canadian Press cable carried a dispatch from London, and Lord Bennett is quoted as having said:

If we are going to maintain our lives, we must see to it that our foreign policy is the policy of all the dominions as well as this country.

Then Sir Archibald Sinclair, Secretary of State for Air, during an all-day debate on civil aviation in the British House of Commons last June, made this statement, and the government should take note of it:

After the war we shall be one of two things: Either we shall be a small island of forty-five million people in a world dominated by the great United States of America, with 130 millions, and a great Soviet Union, with a . . . population . . . which may reach up to 200 million—either we shall be in that position or we shall be the centre of a great empire which will be bound together by our air routes, with all the business of the empire greatly simplified by the fact that ministers and high officials will be able to move rapidly and easily from one part of that empire to another.

My view is that at this point of history we should refuse to support any policy which may reduce the power of the British commonwealth of nations to that of a secondary position. Canada, in my opinion, should assist in the shaping of the commonwealth policies and should not engage herself in any wild goose chasing on her own. I believe that Canada's international foreign policy should commence with a common denominator suitable to every member of the commonwealth; then a complete agreement should be sought with the United States, and finally with the rest of the world. It has been said that control of the world's air routes will be the richest economic prize of the war. Let us then make sure not to commit a blunder of giving away our rights to some strange international power, which owes no allegiance to any flag and which is not committed to any set of Christian principles.

Mr. NOSEWORTHY: I think the position of this group has already been made sufficiently clear, and if, as the last speaker intimated, the government is attempting to head us off, then I say that is reason for congratulating the government.

Mr. FRASER (Peterborough West): It will not help the country though.

Mr. NOSEWORTHY: I may say personally that we are pleased to find that the government has taken steps to secure for the Canadian people in the domestic field the vast investment which the Canadian public has made in the aircraft industry in this country during the war. That industry at the beginning of the war was a mere midget, struggling for existence. To-day it is a flourishing giant. It has been built throughout the war years on the strength of government contracts and public money. Canada to-day has well-equipped airfields, is well equipped with air navigation facilities and is well equipped with trained personnel. Technological improvements have been made in that field and paid for over the years out of the war. These improvements should make it possible, when the war ends, to reduce considerably the cost of passenger travel by air, the cost of carrying freight by air, and the cost of carrying our mail. That cost was the greatest single handicap to air transportation up to 1939. The investment of large sums of public money will make it possible for air lines to use these facilities after the war without the payment of heavy carrying charges, which should go a long way in the reduction of the costs of travel to which I have referred. The use during the war of multi-engined transport planes also should go a long way in helping to solve the problems of freight transportation, and unquestionably air facilities will be used much more in that field.

These possibilities raise many questions with regard to the future of the entire aircraft industry in this country. While the govern-

ment has set forth its policy in regard to the future of our air lines, I am not so sure that any policy has been set forth as to the future of the aircraft industry, and this afternoon I want to ask the minister a few questions on that subject. I shall state all my questions while I am on my feet, and I hope the minister may be able to make a statement with regard to the policy of the government in this matter. First, what is to be our position after the war with regard to the acquisition of aeroplane engines? That matter has been discussed time and again during the last few years. I think the minister made it quite clear that it was not the policy of his department to embark, during war years, upon the manufacture of aeroplane engines in this country. He suggested, and I think perhaps rightly, that our war effort could be better facilitated by importing engines from countries that had much more experience in that field. The question arises, of course: are we to remain indefinitely in the position of being dependent upon other countries for the engines we will use in our commercial aviation? That is the first question I submit for the minister's consideration. The second question is: what will be our position in post-war days with regard to the production of transport planes? My information is that one-third of all the planes of the United States army and navy are transport planes, and that in the United States they have huge factories engaged in the production of these planes. On Tuesday evening the Minister of National Defence for Air indicated that Canada will be or is dependent upon the United States for transport planes to be used in training on our own fields, and that the government had received information that a number of these transport planes would be delivered by United States factories later this year. Are steps being taken to ensure that we can produce in Canada the type of plane that will be needed for heavy transport in the post-war years?

My third question is: what is to be our position in regard to the ownership of the aircraft industry, which at present is partly government-owned and partly privately-owned? The Progressive Conservative party, I assume, have announced their stand on this question; I should like to give my understanding of their position, and if I am wrong I am sure the leader of the opposition will correct me. Both the Premier of Ontario and the leader of the opposition, speaking in the Toronto district, voiced considerable protest over the placing of contracts for transport planes with the Vickers plant in Montreal instead of with the government-owned plant at Malton. I presume their protest was based upon the fact that a privately-owned company was getting that contract rather than a publicly-owned company, and that as a result the privately-owned plant would have a lead over the government-owned plant in post-war years. I am quite sure both these gentlemen are much too big and much too concerned with the national welfare to take a geographical or provincial point of view on that question. I am quite sure the basis of their criticism was not the fact that this business was being given to a city in a sister province rather than to a city in Ontario. As yet the government has not announced its policy; whether in the post-war years it will lend its support to the publicly-owned aircraft plants or to the privately-owned plants, or whether the one or the other or both are to be assisted in developing Canada's post-war civil aviation.

Another question is with regard to the government's policy concerning assistance in the post-war years to the aircraft industry, whether publicly or privately owned. As I have indicated, this industry has been built up over the years by the expenditure of public money; and I think it is generally agreed that if the aircraft industy in Canada is to compete with that of other, larger countries, regardless of whether it is publicly or privately owned, it will, in large measure, have to depend upon government support and assistance in order to meet that competition. It will need assistance, perhaps by way of subsidies or government contracts that will be assured for a given number of years, so that in the realm of manufacturing costs it may be able to compete with Great Britain and the United States.

Another question is: what type of plane is to be developed as most useful for the post-war period; upon what designs are we to concentrate? Has the government given any consideration to this question; has it reached any decision, or is that matter being investigated at the present time?

There is the further question of our position with regard to designing staffs capable of competing with similar staffs in other countries. I think it is generally agreed that if Canada is to maintain a successful aircraft industry in the post-war years, such designing staffs as we have at present should be retained in Canada, and in that industry. Unquestionably some government consideration and government support will be required to be given in that field.

Then there is the question of how such work as will be available in the aircraft industry after the war shall be distributed among the firms, both publicly and privately owned, which are now in that business. Decisions will have to be made as to which of those plants, or how many of them are to remain in the business in the post-war years.

There is a vast number of people in Canada interested in the future of the aircraft industry, and consequently I believe the committee is entitled to a more complete statement than has been given to date regarding the future of the industry. My information is that at the present time there is a committee of men, headed by Mr. Bell of the minister's department, which has made a study of the subject, and has made definite recommendations to the government. I say the committee should be told what those recommendations are, what attitude the government is taking, and what decision it has reached in respect of recommendations made to it. I am sure a statement of that kind would be in the public interest, because to-day that industry has become a most important one in the industrial life of Canada.

Mr. HOWE: I think I have gone fully into the subject of aeroplane engines in earlier statements.

With respect to the future of the aircraft industry, I believe I have made it clear that at all times the government will give that industry all the backing it is possible to give. But to ask me to make plans for more than eighteen months ahead, or more, shows lack of appreciation of the uncertainties of war programmes. Production of war planes, including bombers and fighters, will continue. I can say that so long as there is any need for aircraft of that type, our industry will produce all it can. Plants producing trainer aircraft have passed the peak of their production for the present, just as the air-training plan is curtailed, the production of trainer aircraft will be curtailed. The war planes we are making are the best of their type, and we expect continued production at a high rate.

So far as post-war plans are concerned, we would like to know approximately the date when the post-war period will commence before we announce our plans too definitely. Plans which might suit the ending of the war in 1944 might not at all suit the ending of the war in 1946. Steps are being taken to see that Canada enters the field of civilian aircraft production on the best possible terms, and I believe we shall be able to supply any demand made on Canada for that type of aircraft. So far as costs are concerned, may I say that our costs are just as favourable as those of Great Britain or the United States. I see no reason why the Canadian industry should not be in an excellent competitive position with the industry in other countries.

Mr. FRASER (Peterborough West): Following what the minister has said with regard to the manufacturing of aircraft in Canada, may I ask if the government has considered the establishment of a school of aeronautical science in Canada, as has been done in England? I understand that in Great Britain they are proposing to, or have already established a school of aeronautical science. Does Canada intend to do the same, so that we shall have our own plans and specifications for aircraft? I am, of course, referring to new models.

Mr. HOWE: I think the statement that there has been established a school of aeronautical engineering is hardly correct. There are courses in aeronautical engineering given by our universities. As a matter of fact I recall that the university of Toronto took the lead in that matter, before the war and I know that similar courses are given in certain United States universities. Further, courses in aeronautical engineering are given in certain universities of the United Kingdom. I know of no college of aeronautical engineering.

Mr. FRASER (Peterborough West): I am referring to aeronautical science. I find something in the British *Hansard* for December 1, 1943, which I might draw to the minister's attention. On that date Mr. Bowles asked the British Minister of Aircraft Production whether the aeronautical research committee had yet made any report regarding the possibility of founding a school of aeronautical science. The Minister of Aircraft Production, Sir Stafford Cripps, replied:

> Yes, the committee has made a report, the main recommendations of which have been approved in principle by the government. With the agreement of my colleagues, I have appointed an interdepartmental committee, under the chairmanship of Sir Roy Fedden, to prepare and submit detailed proposals for the establishment of a school of aeronautical science within the general framework of these recommendations.
>
> Mr. Bowles: While thanking my right hon. and learned friend for his reply, may I ask whether he could give the house the terms of reference of the committee?
>
> Sir S. Cripps: The terms of reference were: "To prepare and submit to the Minister of Aircraft Production detailed proposals for the establishment of a school of aeronautical science within the general framework of the recommendations of the aeronautical research committee in their report of tenth August to the minister."

Mr. HOWE: Without knowing anything about it, I should imagine that the school established would be inside a university, or that the reference is just another way of saying that courses in that science will be added to the curriculum of a university.

Mr. FRASER (Peterborough West): But it would have to be subsidized by the government, so that the university would have

plenty of money to find ways and means of perfecting new machines. That is what the British government have done—and they certainly have the best designs in the world.

Mr. HOWE: I do not believe it follows automatically that a new course in a university must be subsidized. As a matter of fact the federal government has given some help to the university of Toronto in establishing courses in aeronautical engineering, and I presume it is prepared to give reasonable help to other universities. The science of aeronautical engineering is no different from the science of mechanical or civil engineering. It is just something to be added to the curriculum. I presume it should not be placed in too much of a preferred position.

Mr. FRASER (Peterborough West): Does the minister think we should have the very best planes in the world?

Mr. HOWE: What relation has the hon. member's suggestion to that?

Mr. FRASER (Peterborough West): If we have men here in Canada who can design planes, and if we make money available for purposes of experimentation we shall have the planes.

Mr. HOWE: Students do not design planes until they have graduated.

Mr. FRASER (Peterborough West): The young boys who are coming along to-day are designing planes, on their own, and they want to put those ideas into effect later on.

Mr. McNIVEN: Mr. Chairman, I am not at all sure that what I have in mind might properly be discussed now. However, it will be recalled that, after the last war, not only members of the armed forces but the civilian population in general were anxious to get away from anything and everything that savoured of war. In sharp contrast with that prevailing thought there were small groups in many centres of Canada who envisioned what air transport could mean to the development of this country. These small groups of individuals formed themselves into flying clubs. These flying clubs through the activities and energy and self-sacrifice of certain individuals have contributed a great deal in the way of money and otherwise to creating an air consciousness. They were primarily responsible for maintaining a semblance of air service in many parts of Canada and they provided facilities for the training of young men. These flying clubs promoted model aircraft leagues, made up of the youth of the country who were thus able to acquire skilled knowledge in connection with amateur air construction and aeronautics. When Canada began to lay the foundations of an air force she drew heavily upon the personnel of these flying clubs.

These clubs grew to such proportions that they ultimately banded together into the dominion flying clubs association. I have been present on occasion when the minister and his worthy deputy, Commander Edwards, and other members of the Department of Transport have expressed their tribute in glowing terms of the work done by these flying clubs. When war broke out and the department established elementary flying schools, in many cases they turned to the flying clubs and asked them to manage the schools. This was done with conspicuous success as is evidenced by the repeated statements of the Minister of National Defence for Air and many members of his department.

Matters have progressed to the point where elementary training schools and air schools in various parts of Canada are being abandoned. In the building up of these schools there has been developed a group of individuals who are experienced in administration, while another group has obtained considerable skill and experience in the mechanics and repair of aeroplanes. A number of trained airmen have been employed in the last three or four years as instructors and as managers of elementary flying schools.

I do not wish to be narrow or provincial in my remarks, but I can best illustrate what I have in mind by referring to the Regina flying club which has managed No. 15 elementary flying school during the past four years. This is one of the schools that are to be abandoned. It has a civilian personnel of some 258 persons, who, as I have mentioned, have gained considerable experience and skill. I should like to know if in the development of civilian air operations there will be a place for the men who have gained this experience. Is there to be a place in future civilian operations for the flying clubs in recognition of what they have done for aviation during the last twenty or more years?

I wish to know if in the development of civilian aviation there is any immediate prospect of the development of routes in western Canada, either north or south of the main line of Trans-Canada Air Lines, which would provide opportunities for the individuals to whom I have just referred? We hear frequent rumours of the desire and inclination of certain United States lines to enter western Canada, in particular Northwest Air Lines which operates from Chicago and Minneapolis, through Regina to Edmonton and on into Alaska. Can the minister tell us of any

possible developments which would provide opportunities for the men to whom I have just referred? I know the minister will be glad, as he has been on previous occasions, to pay tribute to the excellent public service which members of the flying clubs throughout Canada have rendered to the development of civil aviation and the proud position which Canada occupies in the air picture.

Mr. HOWE: I am very glad to endorse everything the hon. member for Regina has said about the flying clubs. These clubs rendered a great contribution to the development of aviation in Canada prior to the war, and have also performed great service in the advancement of the war effort by sponsoring elementary training at various airports across Canada. The Department of Transport has been a strong supporter of these flying clubs since their inception and an annual grant is still made to the flying clubs association. While the work for which the flying clubs were organized has been suspended, the usefulness of the clubs has not ended. In some cases the flying clubs which undertook responsibility for elementary training have finished their work, and it will be necessary for them to suspend training activities for the time being. Because of the necessity of saving gasoline, and for other reasons, it has been determined as a matter of policy that training activities, for the time being, shall be confined to the Royal Canadian Air Force, but the day will come when we shall be glad to have the flying clubs resume training in which they were engaged before the war.

My hon. friend has dealt with the activities of the men who supported the flying clubs. I suggest to him that the policy of the government in connection with the operation of feeder lines, may offer a field of activity for some of the men who supported the flying clubs prior to the war. It is our desire to have a number of small operations in civil aviation to supplement the Trans-Canada operation. It is our desire that the men coming back from overseas should be able to enter into civilian flying as owners rather than as employees; I suggest to the directors of our flying clubs that they could find a very useful field of activity in surveying routes that could be made self-supporting and in banding themselves together to sponsor that kind of civilian operation. I throw that out for what it is worth. My hon. friend asked the question, and I am giving him an offhand suggestion.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. NEILL: I suppose I ought to begin by expressing my gratitude for the courtesy of allowing me to speak at all at this time. It is a somewhat belated courtesy, but better late than never. I would have spoken three hours ago had the hon. member who was then in the Chair adhered to his written and verbal promise. It is a small matter, but adherence to good faith in these small matters of priority in speakers does help to prevent friction in carrying on the business of the house. I suppose I might be expected to go a little farther, although the words rather stick in my throat, and express my gratitude, slavishly and crawlingly, for being allowed to speak this week at all, because had I been headed off until next Tuesday, when the amended rules of the house come up for consideration and the government, with its majority, can no doubt force them through, then the opportunities of a private member expressing his own views or the views of the people who sent him here will be very greatly reduced.

However, to proceed to the item under discussion, I should like to ask the minister three questions and they are all to the point. Is it the policy of the government to aid the formation of municipal air bases in the vicinity of towns? If so, to what extent? If, for instance, the site were provided free by the municipality, what contribution would the government be prepared to make?

Most of these claims put forward by private members centre around some particular case in their respective ridings, and it is no different in my own case. The situation I have in mind is this. The city of Port Alberni has requested me to bring forward its claim for assistance toward an aerodrome in the vicinity. The Alberni valley contains a population of something like 10,000 or 11,000 people, and Port Alberni is the largest centre in it. We are cut off from any of the air facilities, and it takes us a day to go to Vancouver where we can get such. Primarily we are looking forward to the use of this aerodrome in connection with the development of the town and there are ample evidences that such service will be increasingly required. The town is growing, not only from war development but by reason of certain industries recently located there, and while the most outstanding feature in our mind is the usefulness of this provision as developments occur

after the war, yet I have in my hand evidence that it would be useful to a certain extent during the period of the war itself.

I will not give any names, because it might possibly be of interest to the enemy, but planes come from Vancouver and the east coast over the Beaufort range to the west coast to certain air bases that lie a considerable distance beyond Port Alberni, and when they come over that range of mountains they are apt to run into a foggy condition preventing them from going on. They circle around a bit; their only alternative is to go back to Vancouver, and they might possibly not have enough gas to go there, whereas if they had a landing stage in the vicinity of Port Alberni they could land there and wait a few hours, when the fog would lift and they could go on, or at any rate they could make a safe landing without any danger of crashing from fog or lack of gas.

An air base has been located in the vicinity, and I think I can say it would cost the government nothing because the site would be presented to them. It is a suitable site which would not be too costly to develop. Last fall the city tried, and I did my best on their behalf, to get the department over which the minister presides to put a landing base there as a war necessity, but we were turned down from the point of view of spending money out of the war vote; yet the opinion was expressed by the deputy minister that a landing strip in this area would be of much value.

It was stated that the war need is not sufficient to justify the expenditure that would be involved in carrying out the development at this time, and further that the matter is viewed now only from the point of view of military necessity. It is admitted, however, that it would be of some value even to those who are directing military affairs under present conditions, and I imagine what leads them to this conclusion is the condition I have outlined, where a military plane might come over the mountain and find itself unable either to go forward or to turn back.

I want to emphasize what I might call the present-day value of such an undertaking, even though they might not go to the extent of spending all the money that might be required at this time. The suggestion, therefore, is this. Will the department, either for its usefulness, or partly for its usefulness under wartime conditions, and partly for its usefulness in the future as a development base for the city of Port Alberni—and remember that fogs will always be there in the future and there will be the same necessity of having a safe landing place—give any consideration towards construction, and, if so, to what extent?

[Mr. Neill.]

The other question I wish to ask is this. The Aeronautical Institute of Canada is holding its annual convention in Toronto on May 2 and 3. I have before me the programme of its meetings. They propose to deal with thirty-four different subjects and it will take them all their time to dispose of those in two days. These subjects are all connected with aviation and they relate to the benefits of airports, increased tourist traffic, post-war market expansion and so on. Is it the intention of the department to be represented at the meeting? This does not appear to be a money-making scheme. Apparently they are anxious only to develop the aeroplane industry for the benefit of Canada. They do not seem to be interested in any particular aeroplane company or in any particular place. Would the minister tell us what assistance his department is prepared to grant, if any, to municipal air bases, provided the municipality furnishes the site? Second, will his department have representatives at the meeting on May 2 and 3?

Mr. HOWE: Prior to the war it was the policy of the Department of Transport to assist municipalities in building airports. A sum of money was voted by this house for the purpose, and that money was allocated to various municipalities, to help local activities in building airports. When the war broke out, that work was entirely suspended, and since the war began it has not been the policy of the Department of Transport to assist municipalities in building airports. The only airports that have been built are airports that have been selected by the aerodrome committee of the Royal Canadian Air Force. The Department of Transport has one or two representatives attending that committee. Since 1940 the military needs have been the sole consideration. My hon. friend spoke of part military and part local need. That has not been recognized. It must be a wholly military need to warrant the building of aerodromes at this time.

I think we can safely assume that after the war is over, the policy of assisting the municipalities will be resumed. In the meantime if my hon. friend thinks the need at Alberni is urgent, a survey could be made by the department and placed on file for action when the policy I spoke of is once again reestablished.

Mr. NEILL: What was the nature of the assistance given before the war, and to what extent was it given?

Mr. HOWE: As the first requirement the city had to furnish the site; beyond that other considerations entered in. I do not

know that I can say that there was a definite uniform policy, but the assistance given by the department was substantial.

The second question had to do with the Aeronautical Institute of Canada. This is an informal organization, I think, designed to promote interest in aviation in Canada. If I may comment on the point of view of the department, there is quite enough interest in post-war aviation at the present time. We would very much prefer that the Aeronautical Institute be not quite so active until the war is over, when the department can devote expenditure to the development of civil airports. Therefore the Department of Transport is not taking active interest in the affairs of the institute at this time. I daresay the institute will be a very useful instrument after the war.

Mr. HANSELL: We are now discussing an appropriation of the Department of Munitions and Supply which, according to the little schedule before me, constitutes an expenditure of about $6,500,000. I am a little at a loss to understand just where the civil aviation announcement that the minister made a week or two ago fits into the general appropriation of war expenditures. However, I am not going to make a particular issue of that. Perhaps it does not make very much difference whether it comes out of the war appropriation or out of some other fund. I wish, however, to make one or two observations with regard to the announcement that the minister made the other day, in which he gave us some light on the negotiations that have been carried on in respect of world airways in the post-war period.

I believe that the importance of his announcement has not been recognized in Canada as seriously as it should have been. The significance of the announcement cannot be entirely grasped without a bit of diagnosis of the tendency of movements and events in this present day in this present world. The wheels of time grind slowly but, as the sage has said, they grind exceedingly well. What one generation may accomplish or fail to accomplish or destroy is left for a succeeding generation either to enjoy or to suffer. One generation after another passes on, each playing its part in the process of events leading either to the world's happiness and sweet content or to the ultimate destruction of civilization.

Governments that have been given power by the people have authority, but with that authority there comes a grave and great responsibility. In making these observations and criticisms I wish to lay down a premise which I believe to be a fact, namely, that the world is gradually moving on toward a world dictator; that the stage is gradually being set. Over the process of time the props are gradually being placed upon the stage, and perhaps the time is not so far distant when the stage will welcome the entrance of a world dictator. I state now unequivocally that any move on the part of any government of any nation that plays into the hands of international authority or control is aiding and abetting a programme which sets the stage for that coming world dictator.

Let me make it clear that I have no objection to cooperation with other nations, or, as the hon. member for Lethbridge says, we have no objections to coordination with other nations. We have no objections to international cooperation and coordination. But to propose anything in the nature of international authority and international control is another matter altogether, and I, for one, am personally opposed, absolutely and positively, to any authority and control being passed over from the Canadian people to any outside body.

May I make a little analysis of the minister's speech of March 17? I find that on page 1577 of *Hansard* the minister is reported to have stated:

> The briefest fashion in which I can describe the situation which will exist at the end of the war is that the position and sovereignty of the Canadian government have been protected completely in all arrangements that have been made.

I do not know whether the minister made a little slip there or not; but I do wish to ask him when he thinks the Canadian government ever became sovereign. If he had talked about the sovereignty of the Canadian people that would have been another thing, but I maintain that particularly to-day there is a vast difference between the sovereignty of the Canadian people and the sovereignty of the Canadian government. I maintain that very little is done in this house by the present government that is in any way at all a reflection of the sovereign will of the Canadian people. I stated the other day that I doubted very much whether issues of this kind were ever brought before the entire Liberal party.

I do not want to take time further to emphasize statements I have made previously in this chamber, but I know what happens in regard to the provincial government of Alberta. The government there has a majority of the seats in the legislature; because of their particular electoral system they have a majority vote of the people reflected in that legislature, and when that government desires to introduce any piece of legislation that legislation is brought before a caucus of the entire party in order that the caucus may

represent to the government what they believe to be the will of the citizens of that province. If the caucus says, "No, this does not meet the wishes of our people," the government makes no further move. That is the procedure followed in a province, which is much smaller than this whole country; but when it comes to the larger and perhaps tremendously more important matters, what do we find the government of Canada doing? We find a handful of men attempting to impose their will upon the people of Canada without attempting in any way whatever to ascertain the will of the people. Therefore, I say that the government of Canada is not sovereign except as far as it reflects the sovereign will of the people, and who is to say whether or not this agreement as to international airways is what the people want? I am going to suggest, Mr. Chairman, that if the people realized all the implications involved in this international agreement certainly they would turn it down. Of course I am only a small fish in a big puddle; our group may cry with a still small voice, but I would say to my Conservative friends that in connection with a measure of this kind they are missing the opportunity of a lifetime to place before the people of Canada the tremendous implications involved. I take it that a measure like this is the thin edge of the wedge to sell out to an international authority the sovereign rights of the British people.

Now let me go a little further; I shall return to that point later. I was analyzing the minister's speech, and at page 1577 of *Hansard* I find these words:

> We believe that in the field of international air transport our interest lies in a liberal course of cooperation with other nations.

I have no objection to that if it means cooperation; but the thread of the minister's speech seems to go beyond international cooperation and to deal with international authority and control. On the same page I notice these words:

> What is true of relations between the various parts of Canada is true also of relations between the nations of the world.

I wonder whom the minister thinks he is fooling in making that statement. Does he mean to say that the relationship between certain parts of our own country—if you want to take the extreme, say the relationship between the province of Quebec and western Canada—is the same as the relationship between the Canadian people, as part of the British commonwealth, and the Japanese or the Germans or the Italians or the people of any of the South American countries? Certainly it is not. You cannot talk of the relationship between the people within a nation being the same as the relationship between nations; not at all, unless you are going to break down all international boundaries. If you do that, then I say you are doing the very thing with which I prefaced my remarks; that is, you are paving the way for a great world order under a great world dictatorship. Again on page 1577 of *Hansard* I find these words:

> As I have already mentioned, on April 2 last year the Prime Minister gave a statement of the government's position with regard to international air transport, making it clear that our policy would be one of international cooperation and collaboration—

That is all right.

> —and that we would support whatever policy seemed best calculated to serve not only the immediate national interests of Canada, but our overriding interest in the establishment of an international order which will prevent the outbreak of another world war.

First, I should like to know who are the calculators. Are they the seventeen or eighteen men who constitute the government of Canada? Further, I want to ask what authority the minister has for being so bold as to say that such cooperation and collaboration in an international world order will prevent the outbreak of another world war. I say to this committee that it is a false philosophy to teach that a world order will prevent war. I venture the suggestion that under a world order, if war ever does break out it will be a world civil war. I do not say there should not be international cooperation; but the very moment we tie up our sovereign rights, or hand them over to any international authority with, shall I say, interlocking treaties bound up with that international authority, then when war breaks out between two smaller nations the world itself becomes plunged into blood.

I want to go a little farther with this analysis. The minister says at page 1578 of *Hansard*:

> The decision which the united nations must make in the near future in the post-war organization of air transport thus is vital, and an enlightened settlement will go a long way toward establishing a lasting peace, and a new world order of security.

Once again he is presupposing something that is false, that a world order will bring security. A world order may and I believe will bring about world war.

He said again, on the same page:

> From the point of view of practical politics the problem is to find some method of international control.

Once again he harps upon control. There cannot be any international control unless

somebody gives some body international control, and if we give up our control to some international body then we are handing over to an outside power what is the sovereign right of our own people. That is my contention.

Again, at page 1579, he said:

> Not only should some international air transport authority supervise the administration of the freedoms and rights suggested above, but the authority should also have power—

Note those words—authority, control, power.

> —to regulate international air services in order to prevent the dangers of unnecessary and uneconomic duplication.

Again, at page 1580, speaking of Lord Beaverbrook as chairman of the London conference of some time ago, he says:

> Lord Beaverbrook added that it had been agreed that "the international air transport authority should be intimately associated with and responsible to any united nations security organization which might be established."

So that you see the plan ties us up with any united nations or international security organization. What we are doing here is simply tieing ur whole airway scheme up to an international authority which will have as its bodyguard some force in order to protect its interests in the international field. I say once again that it is a false philosophy to think that an international organization or authority can prevent world war.

Nor do I agree with the policy that is sometimes stated by leading diplomats that in the post-war order, peace must be secured by force. I believe that force is the absolute antithesis of the freedom of man. We all heard Mr. Anthony Eden, standing where you are sitting now, Mr. Chairman, addressing the members of the House of Commons and the Senate, when he distinctly declared that in the post-war world some international authority would have to use force in order to maintain peace. I say to you, Mr Chairman, that it is absolutely contrary to the freedom of mankind to use force. What we want is a world order where there is no need of force, and that can be obtained by a proper approach.

I have finished with my analysis of the minister's speech and I wish to refer briefly to the speech of the hon. member for Winnipeg North Centre in which he welcomes the government's move but, of course, is sorry it does not go farther. I do not need to comment on that, for I am sure I could not speak any more forcefully than the hon. member for Vegreville did this afternoon when he tried to show, and did show, the committee that the present government of Canada is indeed going socialist. I could not point that out better than the hon. member for Vegreville did, and when he was trying to point out to the committee the danger of any policy that would tend toward the disintegration of the British empire, the feeling came over me how strange it was that here was a man born in the Ukraine who came here with his family at two or three years of age and was brought up and educated in Canada, and now in his youth was standing here in the House of Commons and calling for the safeguarding of the sovereign rights of the Canadian people under British democracy, while all around us and by the minister's own policy we are attempting to take away some of the sovereign rights of our people and hand them over to some outside authority. Is the minister Canadian? Is the Prime Minister Canadian? For they are the ones who are responsible. Is the cabinet truly Canadian and British? I say that in this matter I will bet on the hon. member for Vegreville as being the truly British Canadian. The proof of the pudding is in the eating. I want a government in Canada that will safeguard the rights of our Canadian people.

I was going to refer to the statement made by the leader of the C.C.F. party who also welcomes the government's stand, but I shall refer to it only in this way. The leader of the C.C.F. party must really try to distinguish between cooperation and control. This is what he says at page 1656 of *Hansard:*

> Accordingly in the field of international air transportation it becomes apparent and, I think, important, that only public control should function. International cooperation does not mean, in reality, a diminution of national sovereignty. What it really means is, sometimes, the transfer—

Mr. Martin: The expansion of it.

Mr. Coldwell: —of national sovereignty between nations.

He continues, but he does not get along very far before he uses the term "international control." We are in favour of international cooperation, but I for one am not in favour of any centralized international body controlling anything inside Canada.

In what I have to say now I do not intend to pose as an authority on constitutional matters. I might as well confess at the start that I do not know anything about them. Strange as it may seem, I am going to talk about something about which I do not know anything. That is just a simple confession; the rest of the members of the House of Commons have never confessed that as yet. I doubt very much whether a constitutional government has any right to sign an agreement or treaty of this kind. I have done a little browsing, some snatching here and some

snatching there, in order to get a little information. I read the British North America Act, and the only thing I could find in it referring to foreign treaties or agreements was section 132, which reads:

> The parliament and government of Canada shall have all powers necessary or proper for performing the obligations of Canada or of any province thereof, as part of the British empire, towards foreign countries arising under treaties between the empire and such foreign countries.

I tried to study what might be meant by treaties. Generally speaking, I think that would be confined to peace treaties and international trade agreements. I can quite understand the logic that nations must make agreements with other nations, but I doubt very much whether any agreement that purports to hand over any of the sovereign or civil or other rights can be made by any government. Whether or not that would be constitutional, I do not know, but I doubt very much that it could be done. It certainly is not common sense. I should like to ask when the people of Canada gave the government power to hand over any of the sovereign rights of the people to any other country, much less to any international authority that would be responsible to no one.

In connection with treaties and so forth I also did a little browsing. I have before me a book entitled, "Methods of Ratification of Treaties," published by the government printing office at Washington. This covers the history of certain treaties. On page 11 reference is made to the treaty entered into at the close of the last war, and I quote as follows:

> Lloyd George made the following statement in the House of Commons, on February 11—

That would be 1919.

> —in regard to treaty ratification:
>
> The third question asked about the peace conference was whether the treaty will be placed upon the table of the house before ratification. I believe that is the ordinary course. Of course, subject to the ratification of the treaty, the representatives of this country will follow the same course as the representatives of every other country and provisionally sign the treaty at the peace conference. The treaty will undoubtedly then be placed upon the table of the house for ratification. I believe constitutionally there are parts of the treaty which must be placed upon the table of the house by the constitution of this country. If the House of Commons chooses to repudiate the treaty the House of Commons is all powerful.

I know what the minister will say to that, namely, that that is exactly what we are doing here. I have not made a study of what parts of the treaty Mr. Lloyd George was referring to when he said:

> I believe constitutionally there are parts of the treaty which must be placed upon the table of the house by the constitution of this country.

There must have been something in there which he did not consider the government had a right to sign apart from the approval of the house. Reference is made on page 16 to what Mr. Gladstone said along the same line in days gone by. I have very little more to say except that I question the right of any government to sign over to any other authority anything that belongs to the people of Canada. I can understand a gift of money being made such as has been done in the past few sessions; I can understand a gift of materials, but I cannot understand how any government has the authority to hand over the rights of the people. It is very easy to hand over the sovereign rights of the people, but it will take a war to get those sovereign rights back again.

I conclude by saying what I started out to say, that the picture is gradually being filled in. I believe that in the world to-day there are two great forces at work. That applies not only to this country, but to the world in general. One force is attempting to bring about a world dictatorship under a certain type of world state socialism. On the other hand there are those who are struggling to maintain the freedom of man. I know that some one will accuse me of uttering platitudes, it will be said that I am talking in terms that are ethereal and so forth, but may I make the following quotation:

> Some of the biggest men in the United States in the field of commerce and manufacturing are afraid of somebody, are afraid of some thing. They know there is a power somewhere, so organized, so subtle, so watchful, so interlocked, so complete, so pervasive that they had better not speak above their breath when they speak in condemnation of it.

That is a statement by the late President Wilson of the United States. I say that there are sinister forces which operate behind the scenes of human affairs and have for their objective the ultimate destruction of free agency among men, and this cannot be assigned to mere chance. I call upon the members of the House of Commons to rise in defence of the freedom of our people. I know the minister will say that this does not interfere with their freedom, but I say it is dangerous in that it represents the thin edge of the wedge, in that it seeks to establish that a few men at the head of the government can hand over control to an international body.

The ACTING CHAIRMAN (Mr. McCann): The hon. gentleman has exhausted his time.

Mr. HANSELL: I have just a few more words, Mr. Chairman, and they will take me only a minute. The hon. member for Vancouver South (Mr. Green) said that the picture outlined by the minister was a rosy one. It may not be such a rosy picture if it is looked at with the proper focus. If we want peace, we must eliminate the causes of war. But that is not the primary purpose of this. What is proposed by the planners is the preservation of the present system with all its evils, but in order to make it work and to preserve it they want to put in policemen. As the hon. member for Wetaskiwin (Mr. Jaques) said the other day, what the world needs is a physician, but what they are providing her with is a policeman.

Mr. HOWE: Just a word in reply to my hon. friend. I have listened with great interest to the foreign policy of the Social Credit party. I think this is the first time it has been expounded in this house.

Mr. KNOWLES: International anarchy.

Mr. HOWE: I find that the hon. member for Vegreville has declared for an extreme imperialistic policy, and accuses this government of catering to the Cooperative Commonwealth Federation.

I suggest that his party are trying to take the place vacated by the late Conservative party, and I think perhaps he has "something there," because Progressive Conservative foreign policy as enunciated by the various and several leaders of that party seems so different from the old policy that there may be a place for the Social Crediters.

Mr. GRAYDON: Don't joke about it, now.

Mr. HOWE: If I may make a speech—

Mr. HANSON (York-Sunbury): Talk about something you know something about.

Mr. HOWE: Will those who are always complaining about being abused and appealing to the protection of the chair please remain quiet while I make a few remarks, if they do not mind? I did not rise to make that comment, but I wanted to say something about the remarks of the hon. member for Macleod. He sees great danger in entering into international agreements for the control of international aviation. I may say that we have been a party to international aviation agreements for a great many years. The conference on international air navigation which was held in Paris in 1919 or 1920 laid down rules for international navigation, and Canada was a signatory to the agreement of that date. That agreement provided for certain freedom of the air. It laid down specific rules for safety standards and control of air navigation.

Mr. HANSON (York-Sunbury): Was that not a purely voluntary affair?

Mr. HOWE: It was a convention.

Mr. HANSON (York-Sunbury): Was it ratified by this parliament?

Mr. HOWE: It was. It has been in effect for many years. It is believed that at this time we should take a step toward greater freedom of international transit. My hon. friend is familiar with the fact that there is freedom of the seas, and that freedom of the seas is maintained by international agreement. That freedom allows a ship of any country to enter a harbour of any other country. It gives to that ship certain rights by international agreement, while in that harbour.

Mr. HANSELL: That is not control.

Mr. HOWE: I think it would be a backward step if each country undertook to establish its sovereignty and to deny to the ships of friendly nations the rights which, guaranteed by international agreement, make world traffic on the oceans a right of all friendly nations.

Mr. HANSELL: We are not opposed to international agreements.

Mr. HOWE: Well, what are we attempting to do in the Canadian proposal for regulation of international air transport? Prior to the war, in order to extend our air service, we will say to South America, it would be necessary for the government of Canada to enter into a treaty with every country which must be crossed en route. If one country objected, then unless it were possible to avoid that country by plotting a route around it, the service would be impossible. Air services are now established under that arrangement, but with extreme difficulty. Take, for example, the case of Canada, which stands at the crossroads of all the important air routes of the northern hemisphere. We will say that Canada refuses to enter into any international agreement and that it will permit planes to fly over our territory only by agreement with each country concerned. What would be our position? Every country in North America and in Europe would be demanding from Canada a bilateral agreement. Suppose we gave it to one country and refused it to another; would that lead to friendly relations, or would it lead to war? Suppose we refused permission for Russia to cross Canada with

an air service to the United States, yet permitted the United States to cross Canada to fly to Russia, would that be a comfortable position for Canada? We believe that there is potential disagreement of a serious nature in such a system of carrying on international air transport by bilateral agreement. It is not impossible, but it certainly has presented in the past great difficulties, and will in the future present great or greater difficulties as the volume of international aviation steps up.

We believe that all countries can agree on certain freedoms. One is freedom of innocent passage; that is, the right of a plane of a peaceful country to fly over the territory of another peaceful country. We also believe that there should be the right to land to refuel in any country, by international agreement, on the same principle as the freedom of the sea. However, it is accepted, by those who know the technical difficulties of flying haphazard over another country, that there must be regulation of the exercise of the right of innocent passage and the right to land and refuel.

Canada has proposed certain other freedoms which can be exercised only by international regulations, namely, the right to pick up in another country passengers destined for the country of origin of the plane, and to take from such country of origin its own nationals destined for another country. These freedoms can be exercised only by international regulations. Therefore Canada proposes an international body to carry out the provisions of these four freedoms in the interests of international aviation as a whole.

The document submitted is Canada's proposal. It is by no means a treaty. We are not asking the house to ratify a treaty. We have advanced it as a proposal from Canada for a basis of agreement with other nations interested in international aviation. It has been suggested, I believe, by the last speaker that Canada is doing this surreptitiously without the support of the majority party in this house and without the knowledge of all members of the house. I cannot imagine how that conclusion can be reached. Canada is the one country of the united nations that has placed its full air policy before the house and before the people of the country. We invite discussion on the policy and, when the time comes, if agreement can be reached, we will then follow the tradition of the British government. The government will take the responsibility for agreeing on the part of Canada and later will ask parliament to ratify Canada's signature to the agreement. That is British policy, which has been followed for a great many years. I think my hon. friend will find that the doubts he has expressed in that regard are unjustified. I do ask him to study the past history of international aviation and to read the agreement of 1919 to which Canada is a party and then to make up his mind whether further freedom under a convention is not in the best interest of post-war civil aviation.

Mr. CRUICKSHANK: When the hon. member for Macleod (Mr. Hansell) spoke I did not know that there was to be a world dictator. However, I am not going to speak in that regard other than to say I do not want the position if I have to pay income tax.

I am rising now to reply to certain remarks made this afternoon in connection with the airport outside Vancouver, because I am interested in that question. I was given two weeks' holiday to go to Vancouver, a distance of 6,000 miles, involving eight days' travelling, which would have allowed me eight days at home. But someone stole my car at Vancouver and it took me four days to find it. Someone says that I should not live there. Well, I do not know who stole the car, but I may remark that the C.C.F. were holding a convention there, and Bracken was trying to form a club.

The hon. member for New Westminster (Mr. Reid) this afternoon rather left the impression that planes coming to Vancouver suffer on account of fog at certain periods. I do not think he intended to convey exactly the impression which he did, but that was what I gathered from his remarks. I do not want the committee to get any such idea, because the minister knows that one of the best airports in Canada is the airport at Abbotsford, forty-two miles from the centre of Vancouver. I am not going to go into any details, but I can assure the committee that that airport is big enough to handle any bomber made on the American continent. For the minister's benefit I may say about three weeks ago a fifty-passenger transport took off across the centre of the field. It did not have to use the middle of the runway. That will give hon. members an idea of the kind of airport that is there. I simply want to correct the impression which may have been left by the hon. member for New Westminster as to existing airports near Vancouver, and in this regard I have the authority of Grant McConachie. I do not know this gentleman, but I do know that my hon. friends of the Conservative party consider him an excellent man and that they would

prefer to have him in charge of Trans-Canada Air Lines and all the rest of the airways. Let me quote what he says:

> The Fraser delta was not only inadequate to handle big plane traffic but outright dangerous due to prevailing wind conditions.

I do not wish the impression to get abroad, which was created, in my mind at any rate, by the remarks of the hon. member for New Westminster, that a plane would have to return to Lethbridge if the fog were down. While I hate to say that anything can be wrong with that part of the country, I may admit that in October of last year we had a fog which lasted for three weeks. And how! someone says—not Howe the minister. Whoever says that simply means that it was a very bad fog. Well, for seventeen days in that period the T.C.A. landed at Abbotsford, and not at Lethbridge.

I have nothing to say about the international aspect of this matter, because if I did say anything about it I would have to follow the example of the hon. member for Macleod and preface my remarks by admitting that I know nothing about it. The only difference is that whereas it took him forty minutes to make that admission, I can state it in just so many words, that I know nothing about it.

Mr. ROY: On March 17 the Minister of Munitions and Supply made a statement to the house on the international discussions on air transport policy which took place in London in October last. He told the house that all the participants were desirous of improving the air services between their territories, and agreed that such development must take place within an international framework, and that closed discriminatory systems could only promote disharmony, and endanger the chances of reaching that broad agreement which is necessary.

The minister also tabled the draft international air transport convention which, by consent of the house, was published in *Hansard* of March 17, at page 1580. I would not be surprised, Mr. Chairman, if you thought it necessary that I should make the same confession that was made so humbly a minute ago by the hon. member for Macleod, namely, that I am going to speak about something I know nothing about. Strange as it may seem, one cannot be misled if one listens to the voice that is heard in one's subconscious being or the voice that comes through a very faithful kind of aerial, the voice that gives us warnings of dangers to be encountered. If we listen to this voice we cannot be misled, and it tells me that this project of international control for air services in the post-war period does obviously present some dangers to the autonomy of the country.

A careful examination of these agreements makes me believe that we are preparing another monster cartel which will take charge of all air lines of the world. We have had already for many years, and more specially in these last years, and again these last days, the occasion of complaining about monopolies and cartels; and lately we heard from reliable authority that if we are in the midst of the most terrible cataclysm ever known in the past, it is due to the work of those monopolies and cartels. At the present time, we are endeavouring to prepare a post-war policy and are studying all kinds of projects for social security and post-war reconstruction; but my contention is that if we do not go to the root of the sore, if we do not remove the real causes of the present conflict, if we allow these monopolies and cartels to survive and not only that, but if we encourage the formation of new monopolies and cartels, we shall be again facing, not an enduring peace that everybody desires, but only a temporary truce.

Without commenting for the moment on the opportunity of nationalizing our large enterprises, but favouring in all cases a direct and efficient control over these large enterprises, I think it must, without doubt, be admitted, with regard to air transport, that these Canadian air lines companies have been formed under Canadian laws and certainly have some recognized rights.

Enterprises like our railroad systems and air lines services are so huge that there can be no question of provincial or municipal control or of any cooperative ownership. Nevertheless the government would do the wrong thing to force them into an international cartel, and so much the better if they are willing to remain independent. These companies, having largely contributed to the easing of the transportation of war materials and members of armed forces as well as civilians, deserve a better reward for their admirable achievement.

I should like to mention also the help that was given to the development of the unknown sections of the country by companies like Trans-Canada Air Lines, Canadian Pacific Air Lines and many other smaller companies, which have all contributed, to a large extent, to geological surveys, to the development of our mining areas and to the exploitations of our hydraulic powers, and therefore to the development of all our natural resources.

Having always been opposed to all the cartels, I strongly objected to the amalgamation of our railway systems, because I believed that such an amalgamation would result in another

monopoly which would become the supermaster of all our transportation systems; and unfortunately not to the benefit of the public. I wonder how, being opposed as the majority of our people are, to such an amalgamation, when it comes to air lines, which is another means of transportation, they could accept a project such as the one proposed in London last October. I am under the impression that the public would be very suspicious of this project, especially when it is brought up by a government that has lost the confidence of the people.

I wish to recall the fact that for the last two years the government has lost every by-election; and this, according to the Prime Minister's own word in this house in 1934, shows that this government is no longer the representative of the people of this country. Therefore, how can a government be entitled to adopt a policy that will bind the future of our country, especially with so vast a scheme as the one coming out of this London convention? Furthermore, this is much more important, when everybody knows that as soon as the government decides to hold a general election, it will be thrown out of power.

The public would be interested to know—and I wonder if the minister could not give the committee some information in this regard—who are the real sponsors, and who are the technical and financial advisers who led the political authorities to such an agreement. I wonder if we would not find among them some who are very closely connected with this famous Bank of International Settlement?

There is so much yet unknown in this project; it requires so many explanations. People are so worried about the future of the country, that they will ask themselves if we are still heading to the aim for which we are supposed to be fighting. The people would be so glad to be assured that our war targets are still the defence of civilization, the maintenance of our liberties and the safeguarding of property rights and so forth. With all that is going on to-day, with all these new schemes, they are asking themselves if they will not be once more misled, especially when they consider that the establishment of the post-war policy comes from a government that, as I said a few minutes ago, has no longer the confidence of the electorate. Would it not be only fair, logical and just to submit this future policy, which is such a drastic one, to the decision of the people, so that the democracy for which we are supposed to be fighting at the present time would not be a "vain mot?"

Furthermore, a project such as this one makes the people much more suspicious, when they know that within a short time there will be in London an imperial conference, at which other like projects may be adopted, which will bind the future of our country. Our people would like to rely on Prime Minister Churchill's statement when he said that an imperial conference would take place in London at which all the dominions would be represented by newly elected prime ministers. There is only one way to correct all this, only one way to assure the people of the country that nothing will be done against their will, namely, the immediate holding of a general election. No one can conceive that a government, which is supposed to know what is going on in the country, would refrain from asking the people to confirm its mandate, and to renew it, so as to enable the government to make such important commitments.

Mr. DIEFENBAKER: I listened with a great deal of interest to the remarks of the hon. member for Macleod and also to the address made by the hon. member for Vegreville, and I do not think the minister answered the thesis that they advanced. I agree with the minister that in so far as this discussion is concerned it is but an exploratory one for the purpose of ascertaining the views of the members of this committee, and that the convention is merely tentative. But I should like to have a statement from the minister this evening in regard to several matters, some of which I dealt with when I spoke on March 23. I asked a number of questions on that occasion, but the minister did not have an opportunity that evening to answer them. Unless we have an answer to a number of questions that were asked this afternoon and also earlier in this debate we are merely shadow-boxing with unrealities. We should know the position the government is taking, first in connection with the international set-up; second and very important, the attitude of the government toward a British empire or commonwealth air scheme operating under an international authority, and, finally, various matters in connection with the domestic field which as yet have not been explained. I intend to ask a number of questions in order that we may get the picture as to what has taken place at the various conferences that have been held in recent weeks; something of the decisions made or the agreements reached at the Beaverbrook conference that took place in October, and the reasons that have caused the minister to change the opinion he expressed in the past, that railway companies were an ideal medium to operate airways in this country.

I was surprised at a statement made by the minister in reply to an hon. member who

referred to some contention that had been made by the Aeronautical Institute of Canada. The minister, if I took down his words correctly, said, "We would prefer that the Aeronautical Institute of Canada was not so active in regard to post-war aviation at this time." Why? The minister has enunciated the policy which the government is to put into effect one year after the cessation of hostilities. Why should the institute not be allowed and, indeed, invited to consider the propositions that have been put forward, and to make suggestions in order to ensure that the domestic policy to be put into operation in this country will be the very best available?

The hon. member for Macleod referred to an international authority, and the minister stated that there had been previous conventions, beginning with what was known as the Paris convention of 1919, and so on through the years. I ask the minister whether under the Paris convention any power was conferred upon an international authority similar to that contained in article VII of this convention, which provides:

> If an air carrier licensed by the board or a regional council is of the opinion that the airports or other ground facilities on the territory of a member state are not reasonably adequate for the safe, regular, efficient and economical operation of the air services which it is permitted by its licence to perform, it may so inform the government or governments of which it is a national. . . . Each member state undertakes, at the earliest practicable moment, to give effect to the request of the board or regional council.

The next section deals with the matter of expenses. Is it not a fact that this article goes farther than any other convention designed to ensure proper, safe operation and the like? Does not this article in fact grant to an international authority jurisdiction over the sovereignty of each of the member states, which heretofore has not been contemplated under any previous international air agreements? I ask him also whether the suggested international convention represents only the viewpoint of the government of Canada, or does it represent the consensus of nations with which there have been discussions? Has the U.S.S.R. been consulted as to its willingness to enter an international organization? I ask that question because I notice that provision is made for bilateral agreements between member states and adjoining, contiguous states. If that be so, the Soviet Union, having on its boundaries practically all the nations of the world, would not be required, in the operation of its airways, to enter an international organization unless it saw fit to do so.

Then the minister made reference to the doctrine of freedom of transit, which all accept as necessary in the interests of post-war aviation, and which, as he pointed out, is somewhat analogous to the doctrine of freedom of the seas. Are the great nations of the world willing to accept the principle of freedom of transit? Have there been consultations; has there been any agreement in regard thereto? Furthermore, in an international set-up the position will be that T.C.A. will operate transoceanic aircraft. Does the government intend that T.C.A. shall operate a service round the world? If not, what portion of the world is it contemplated will be served by aircraft operated by T.C.A.? Without some knowledge of these matters any discussion of the question of international aviation is merely theoretical.

I now come to the next phase; this is something as to which I particularly wish to ascertain the position of affairs. I refer to the aviation position of the British empire or commonwealth. When the hon. member for Macleod mentioned the British commonwealth the minister rather forgot himself and departed from his usual dispassionate consideration of matters such as these to suggest that the Social Credit party was taking up the position of the official opposition.

Mr. HOWE: Oh, no; I said, "the late Conservative party".

Mr. HANSON (York-Sunbury): That is a play upon words.

Mr. DIEFENBAKER: It was said with a sneer, and quite unnecessary in any serious discussion of this problem, and quite unjustified by anything that had been said. I am trying to discuss these matters without heat and without partisan considerations. When it comes to a consideration of the British empire and our relations within the empire, it seems passing strange that as yet the house and the country have been given no report, not even a cursory one, as to what occurred at the Beaverbrook conference. On October 18, 1943, in London, the minister vouchsafed an answer to newspaper correspondents who interviewed him:

> The empire will enter future conferences on post-war civil aviation with a common viewpoint as a result of the recent imperial air talks here, Hon. C. D. Howe, Canadian munitions minister, said to-day.
>
> To a press conference questioner who asked if this indicated a British delegate would represent the whole empire, Mr. Howe replied "No." He said the dominions would have their own representatives. . . .
>
> The minister reiterated previous declarations that the recent conference, to be followed by one with others of the united nations, was merely a clarifying "family discussion" on the background of the question and said only "broad principles" were discussed.

Is it true that a common viewpoint was arrived at in the conference which took place in London? Did the various parts of the empire agree that the proper solution of the empire situation was not to set up an empire scheme within an international set-up? I ask him also to say whether Canada's position was one of opposition to an empire scheme, and, if so, in taking such a position did Canada take it in opposition to the United Kingdom, New Zealand and Australia?

I read, too, a Washington dispatch of October 29, 1943, which quotes the New York *Times* in a Washington dispatch as saying:

> . . . that the commonwealth air conference in London went as far as President Roosevelt in favouring freedom of the air. But Canada's position was said to have differed from England, New Zealand and Australia. The mother country and these two dominions share a common view.

Both of these analyses cannot be correct. The minister stated that we had a common viewpoint. I ask him, therefore, was the question considered at this conference of an empire set-up within the ambit of a great international organization, and, if so, did Canada's representatives agree or disagree with that suggestion? I may have some further references to make with regard to the suggestion that I placed before parliament and the country on March 28 last, that we should set up an empire scheme without prejudice to the setting up at the same time of a great international organization to govern safety, after the minister has answered these questions, and to assure that after this war airways development and the development of aircraft will not spell the beginning of another world war.

To come now to the domestic field, much has been made of the fact that under the set-up suggested by the minister for the domestic field, our men who are overseas will be able to return to greater opportunities of employment than they would have under a scheme whereby there would be competition between the national lines and the lines of private companies operated by the railway companies. Doctor George Weir, speaking recently, said that he believed that after the war there was the possibility that 25,000 of our airmen might be able to secure employment in post-war domestic aviation.

Mr. HOWE: Who is Doctor Weir, may I ask?

Mr. DIEFENBAKER: Doctor Weir was employed in connection with recommending to the government the setting-up of post-war schemes for employment. In any event, he made a survey in order to assure that after the war the roseate promises that had been made of employment to the men overseas when they return to Canada would, in fact, be carried out and the work be available to them.

Mr. HANSON (York-Sunbury): He was brought here from British Columbia.

Mr. HOWE: He was minister of education there?

Mr. DIEFENBAKER: The minister asked me who Doctor Weir was, and that surprised me.

Mr. HOWE: I know at least three Doctor Weirs, and I was wondering to which particular one the hon. member was referring.

Mr. DIEFENBAKER: I said Doctor George Weir.

Mr. HOWE: I understand now to whom the hon. member is referring.

Mr. DIEFENBAKER: The minister asked who Doctor Weir was. It shows that Doctor Weir could not have consulted with him in connection with the post-war employment of the men who return from overseas. I ask the minister, was Doctor Weir's estimate founded upon information given him by his department?

Furthermore, the minister made a statement recently in which he said that a very large number of applications had been made for domestic airline franchises in Canada, but that no franchises would be granted until after the war. How many such applications have been made by Canadians and how many by nationals of other countries?

Finally, I ask the minister to explain what changes or alterations or developments have occurred since 1937 which have made it necessary for him to require that the railway companies dissociate themselves from the operation of air lines in the Dominion of Canada. That is a matter on which I think the country should have information. There may be valid reasons known to the minister himself, but as yet the information has not been made available to the country.

The picture so far as the post-war situation is concerned is that Canada holds out the promise to the men who are serving in the air force that some twenty-five thousand may secure employment in aviation in Canada when the war is over. If we do not carry out that promise to the men we shall be doing them an injustice that is totally unjustifiable. I ask the minister how many are employed to-day in Canada in connection, first, with the T.C.A.; and second, how many are employed by private companies within Canada, and how many is it expected will be employed immediately after the war? These are matters

that must not be considered from a partisan point of view. They are matters for which we as members of parliament will remain responsible to the men when they return. It is they who want to know the answers to these questions. Our servicemen are not asking for charity. They are asking for the effectuation and the implementing of the promises that we make that there will be employment for them. Has the government considered both sides of the equation? Has it considered how many men returning from overseas could be employed should the present system of domestic air lines be continued, and how many more men could be employed if the proposed change is effected one year after the war? I ask the minister to explain these matters in detail, because all that we have had so far is a general statement. We have not had the evidence to support what the minister has said, nor have we been given the background which he alone can furnish to the house and the country.

Mr. HOWE: My hon. friend has asked several times for the conclusions of the London discussions. I may say that the discussions of a committee headed by Lord Beaverbrook with committees representing the various dominions was not a conference. It was stated clearly at the time that it was a family discussion, the purpose of which was to endeavour to arrive at a common viewpoint among the empire countries. All countries, including India, were represented. Many different ideas were presented. Naturally all parts of the empire would not think alike on a matter of this kind, but I can say that a common viewpoint was reached. I assure my hon. friend that the statement on international aviation which was presented to this house, and the draft convention which was placed on *Hansard* are wholly consistent with the conclusions which were unanimously reached in those discussions.

Mr. HANSON (York-Sunbury): This is the result of the conference?

Mr. HOWE: This is an elaboration of the viewpoint of the conference. The conference discussed general principles and Canada has elaborated upon those principles. Naturally a three-day conference could hardly write an elaborate convention. Doing so involves study by experts.

Mr. GRAYDON: If the policy enunciated by the minister in this house prior to the Easter recess is the policy which the government intends to propose to the world on the question of civil aviation; if that is the result of a common viewpoint which the minister says was reached in the empire discussions, will that be followed up by other parts of the commonwealth making similar declarations to the world?

Mr. HOWE: The various governments of the empire perhaps will have their own ideas as to how much each should take their parliaments into their confidence at this stage. We feel that we have gone quite far in that direction, that being the policy of this government.

Mr. HANSON (York-Sunbury): You did not do it with the war.

Mr. GRAYDON: I do not want to interrupt; I just want to clarify this point. If the other nations of the commonwealth take their parliaments into their confidence as this government has done in this instance, is this the policy they would present to their parliaments in view of the common viewpoint which the minister says was unanimously arrived at?

Mr. HOWE: I think that is stretching the point quite far. I said that certain principles were agreed upon by all commonwealth countries, or rather that there was reached by those countries a common viewpoint which is wholly consistent with the document which was placed on *Hansard* here. A corresponding document prepared by another country elaborating those same principles, might contain quite different clauses.

Mr. DIEFENBAKER: It is only a matter of language.

Mr. HOWE: Every point in this long document naturally was not discussed in detail. I will say, however, that it was cabled to London for comments before it was submitted here, or submitted to any other country. No comments were received which were material. There were one or two small comments, and one or two changes were made as a result. But the point I make is that there was no material difference in viewpoint. I will say that perhaps if London had been preparing this document it would have been different in some particulars, but my point is that it is not inconsistent with the common empire viewpoint.

Mr. HANSON (York-Sunbury): May I ask this question?

Mr. HOWE: I do not mind being interrupted.

Mr. HANSON (York-Sunbury): You never interrupt anybody. May I ask a question? If I have not your permission, I shall sit down.

Mr. HOWE: Yes.

Mr. HANSON (York-Sunbury): Will the minister be good enough to state the principles upon which agreement was reached by the London conference, so that we may be able to interpret for ourselves whether this convention is a correct interpretation of those principles? We are entitled to that.

Mr. HOWE: I think you will have to take my word for it. I have stated definitely that they are.

Mr. HANSON (York-Sunbury): You say they are not inconsistent; that is as far as you have gone.

Mr. HOWE: At the conclusion of the discussions in London a press statement was prepared and agreed to which gave the gist of the discussions. I do not think, as one member in attendance, that it would be proper for me to expand upon the information given at that time.

Mr. HANSON (York-Sunbury): That would not be taking us into your confidence.

Mr. HOWE: I think I have gone a long way in that direction. I thought I had the questions asked by the hon. member for Lake Centre clearly in mind, but I must say that there have been a few rabbits across the trail, since he spoke.

Mr. DIEFENBAKER: Perhaps I could help the minister. I was asking about the British empire scheme. I asked whether a British empire scheme by which aviation would be established within the empire under an international set-up was before the conference. I would point out that the minister is reported at page 1580 of *Hansard* as saying:

> Lord Beaverbrook emphasized the unanimous agreement which the conference had reached on every issue presented to it.

What was the empire issue that was presented? Did Canada agree to an empire set-up? What was the attitude taken by the conference with reference to that matter?

Mr. HOWE: I must say that I am not just clear as to what my hon. friend means by an empire set-up. There was a discussion of routes between empire countries. Routes between empire countries are wholly consistent with the principles which were laid down in the discussion of international aviation. But there are routes apart from empire routes. If the British empire were to confine its aviation to flying between British countries, that could hardly be called a comprehensive international system of aviation. I think the empire countries hope to have routes to countries outside the empire. Naturally an international pattern should be broad enough to include both.

[Mr. Howe.]

My hon. friend was rather shocked by a provision that if airports in a member country were not suitable for international traffic other countries could provide funds to improve the airport and, if necessary, to do the work of providing an airport. May I point out that this is a voluntary association of nations; it is not imposed on any nation. A nation signs the agreement in order to obtain rights in other countries. Each country will have the use of airports in other countries, and I suggest that it is hardly fair to offer a country first-class airports in other parts of the world and not have that country offer in return first-class airports within its own boundaries. It is quite conceivable that certain countries will not be in a financial position to provide these airports at their own expense, but as members of a voluntary association there could be, I think, no possible objection to permitting other countries to do the work if the sovereign country is financially unable to meet the situation.

Perhaps my hon. friend will give me his next question.

Mr. DIEFENBAKER: With regard to the empire scheme, the minister said that he did not quite understand what I had in mind. What I had in mind was a set-up similar to that constituted under the agreement of 1935 between the United Kingdom, Newfoundland and Canada, whereby a transport company was set up with ownership in definite proportions being held by each of the countries. Was any such proposition for an empire set-up considered by the conference, and, if so, what attitude did Canada take with regard thereto?

Mr. HOWE: I think every country that is familiar with the agreement of 1935 would be reluctant to propose another such agreement. It was entered into with great hopes, but it failed to function. Few countries would wish to be a minority shareholder in an international air line. However, no proposal of that kind was put forward, and it was generally conceded that the agreement of 1935 is no longer applicable.

A further question was, why should I change my mind? It is regarded as inconceivable that I could have one opinion in 1937 and another in 1944. I think it was the Hon. Joseph Howe who said there was nothing he valued so little as his own opinion of yesterday. I think that is a very sound position to take.

Mr. HANSON (York-Sunbury): He was on the spot when he said that.

Mr. HOWE: I had little experience in 1937. I have gained a bit in the intervening

years, and I have come to the conclusion that the policy of developing air transport as an enterprise separate from surface transportation is the correct form of procedure. Not only that; the United States arrived at the same conclusion in 1938. It took us six years longer.

Mr. HANSON (York-Sunbury): That was for another reason.

Mr. HOWE: Not at all.

Mr. HANSON (York-Sunbury): Oh, yes.

Mr. HOWE: The same reason exactly.

Mr. HANSON (York-Sunbury): The reason why the United States arrived at that conclusion was that they did not want the railways in a position to hold their railway rates in place.

Mr. HOWE: That is not the main reason.

Mr. HANSON (York-Sunbury): I differ with the minister, and I have read as much about it as he has.

Mr. HOWE: Perhaps so. But there are other reasons. For example, I said in 1937 that the ticket-selling facilities of the railways would be very useful to the air lines. It took only a matter of a few short months to determine that the ticket agencies of the railways could not sell air transport successfully. A wholly different brand of salesmanship is required; and even though the ownership of Trans-Canada Air Lines was maintained by the railway, the ticket-selling facilities were completely divorced some years ago. There is very little in common between the two operations; they are quite different fields of activity, and I have come to the conclusion that they can best develop separately.

It has been suggested that the separation was an attempt to weaken private operation by forbidding consolidation into a great system. Private air transport in this country was developed as a series of small enterprises, and I believe that the development was more sound as a small enterprise group than it was as a unified enterprise. Unless the individual routes could be interconnected by another transcontinental system, I think there was ample evidence to show that the economy of operation was not as favourable under the larger system as it was under a series of separate operations.

The leader of the official opposition has had a great deal to say about small enterprise. I must say I agree with him, and I am shocked to find that he thinks there is no place in the air for small enterprise. I believe that the development of air transport as a series of small enterprises was a sound and healthy one. It lacked certain safeguards which have since been provided. The weakness of the development was that as soon as a small enterprise became successful, another small enterprise would enter the same area, and if both were successful, still a third would enter, until the competition was overdone and one of the three had to go.

Mr. HANSON (York-Sunbury): Was there not control for that?

Mr. HOWE: Not at that time, no. We passed the Transport Act in 1938 which prevented that sort of competition. Perhaps we were too late in doing so. Had we done so ten years before, we would have had a much more solid growth of these small air lines.

The policy of the government is to allocate areas to a separate air line, to protect each area against competition, and to give such assistance to the enterprise that it can grow into strong and healthy air enterprise capable of serving the needs of its particular locality. I believe that is the sound method of development. It gives a place for small enterprise, and it allows returned men to enter the field of air transportation not as employees but as owners.

Mr. GRAYDON: Well, does it? That is a point which has been bothering me.

Mr. HOWE: Oh, quite.

Mr. GRAYDON: Just how will an airman coming back from overseas be able to start in on one of these air routes which the minister is—theoretically—holding out for him when he returns? I must confess that I have never been able to convince myself that the minister's statement is a possibility. I cannot see how a young fellow coming back will start up his own line as the minister suggests. I think the committee, like myself, would like to know, how does the man practically go about it? Could we have the mechanics of how it is done?

Mr. SLAGHT: He applies to the authority for his licence.

Mr. HANSON (York-Sunbury): Well, he has to have money and backing.

Mr. HOWE: We have had groups of business men in every large and medium sized community in Canada, as well as in a number of smaller communities, that have been willing to support aviation enterprise financially. I believe there are thirty-three or thirty-five flying clubs across Canada supported by citizens in their districts, interested in aviation, who have supported the enterprise financially and given of their time to its business direction. Those groups are still interested in

aviation, and I believe that if a profitable aviation enterprise is open in that neighborhood—and we intend to have a number developed which our experts believe will offer profitable operation—the same group of citizens would be glad to support a group of returned men in that operation.

Mr. HANSON (York-Sunbury): May I ask the minister a question?

Mr. HOWE: Well, now, just a minute.

Mr. HANSON (York-Sunbury): All right, I do not want to interrupt the minister.

Mr. HOWE: Could I explain my theory a little?

Mr. HANSON (York-Sunbury): Yes, the minister is very interesting.

Mr. HOWE: A bill has been introduced in this house for a commercial bank. The purpose of that bank would be to finance an enterprise of this kind. A promising enterprise, offering the probability of profitable operation, with the good business management offered by the group I suggest, would find backing at that bank.

Mr. HANSON (York-Sunbury): That is a new thought, but it was not told to us in the committee.

Mr. HOWE: I think that if the hon. member reads the bill he will find that it is suitable for just that type of operation. My hon. friends opposite are very sensitive about being interrupted and I have not been able to say twenty consecutive words since I rose in my place.

Mr. GRAYDON: We are eager for information.

Mr. HANSON (York-Sunbury): Will the desk pounders keep quiet. That is all they ever do here.

Mr. MACKENZIE (Vancouver Centre): The hon. member is the worst offender in the house.

Mr. HOWE: My hon. friend's next question was how many airmen—

Mr. HANSON (York-Sunbury): Before the minister leaves that question, may I ask a question?

An hon. MEMBER: Keep quiet.

Mr. GRAYDON: Be polite over there.

Mr. HANSON (York-Sunbury): I ask the Chairman to request this hon. member, who never does anything but pound his desk and abuse other members, to withdraw that remark. The remark was shouted at me across the floor to keep quiet. That, of course, is an improper thing for him to say to me when I am on my feet addressing a question to the minister. I wish to know whether, when arriving at this policy—and this is the only place for learning from the minister, by cross-examination—of divorcing the railways from the operation of the proposed policy of operating air lines, private enterprise was in any way consulted—private enterprise which had invested millions in the air lines of the country, private enterprise whose business is to be destroyed by this policy. Were they consulted or given any advance notice?

Mr. HOWE: Let me say at once that no business is going to be destroyed.

Mr. HANSON (York-Sunbury): It looks like confiscation.

Mr. HOWE: There is no confiscation involved either. The properties were taken over either in 1940 or in 1941. Small enterprises were taken over by large enterprise. The individual companies are certainly not weaker in 1944 than they were in 1941. They will be returned to separate operation. As a matter of fact, many of the smaller companies were never consolidated into Canadian Pacific Air Lines. I believe that only about fifteen per cent of the mileage was actually consolidated into Canadian Pacific Air Lines. In the other cases Canadian Pacific Air Lines are simply the majority shareholder of separate enterprises.

Mr. HANSON (York-Sunbury): That is not my question. Were they consulted?

Mr. HOWE: Separate enterprise will be re-established and I see no reason for any loss. I assume they were bought at a reasonable price and that the equipment was worth the value represented on the books of the company. I have every confidence that the operations can be separated without loss to any one.

Mr. HANSON (York-Sunbury): Was private enterprise consulted?

Mr. HOWE: It was not.

Mr. HANSON (York-Sunbury): That is a complete answer.

Mr. HOWE: The government made their decision. Public enterprise was not consulted, nor was private enterprise. The decision was the decision of the government, announced in the House of Commons, which again is respect for democratic institutions.

Mr. HANSON (York-Sunbury): No. It is just Hitler rule; that is all it is. You come to a decision before parliament is consulted.

An hon. MEMBER: Order.

Mr. HOWE: I suppose the correct procedure is to come and ask parliament to make up the mind of the government; is that the idea?

Mr. HANSON (York-Sunbury): The correct procedure is to come to parliament with a policy and not to announce an accomplished fact.

Mr. CRUICKSHANK: The correct procedure is to have a leader of the opposition in the house.

Mr. GRAYDON: You are just an echo of the Prime Minister; that is all you are.

Mr. HOWE: The number of employees of Trans-Canada Air Lines at December 31, 1943, was 2,343, of whom thirty-five per cent were women, and Canadian Pacific Air Lines, I happen to know, had a considerably larger number than that, many of whom were engaged in overhaul work.

Mr. HANSON (York-Sunbury): They were doing work for the government?

Mr. HOWE: Yes, some 6,000, all told.

Mr. GRAYDON: How many men coming back from overseas, coming out of the air force, does the minister estimate can go into the type of private enterprise which he is theoretically holding open under this policy?

Mr. HOWE: I should think Doctor Weir's estimate of 25,000 is not unreasonable. My hon. friend will appreciate that it takes from twelve to fifteen men on the ground for every man in the air. Doctor Weir did not mean 25,000 pilots, but 25,000 personnel. The present personnel, I presume, would be about 9,000, and I expect a very much more dense operation when we can obtain aircraft freely. I should think that within twelve months after demobilization we would easily have 25,000.

Mr. GRAYDON: Out of those 25,000 how many would be aircrew?

Mr. HOWE: It would be one in twelve perhaps.

Mr. GRAYDON: That would mean that very few of the actual airmen who are flying would get jobs so far as the question of flying is concerned.

Mr. HOWE: I do not know that that is a fair conclusion. Airmen can work on the ground as well. All our traffic men are airmen. Perhaps all men qualified as airmen may not be flying, but they certainly would have jobs in aviation, other than mechanics. Was there another question?

Mr. DIEFENBAKER: I did want to ask the minister some other questions. I realize how difficult it is to be asked a number of questions and then to be asked a large number of others in between, I know the hon. member for Parry Sound (Mr. Slaght) will agree with that.

Mr. SLAGHT: I agree that there is a consistent monopoly over there.

Mr. DIEFENBAKER: In connection with the international set-up I asked the minister whether the united nations had been consulted and, in particular, whether the Union of Soviet Socialist Republics had agreed to an international set-up, whether along the lines indicated in the convention or otherwise, and who the eight nations were that are referred to in the tentative agreement or covenant.

Mr. HOWE: Let me make one thing clear. No nation has agreed with any other nation to do anything about post-war civil aviation. Can I make that clear? There have been certain conversations to obtain viewpoints, but nothing has been reduced to agreement. Not even the empire discussions have been reduced to agreement. There has been no ratification. None was asked and none given. My hon. friend asks how many nations have agreed; I do not think any nation has agreed with any other. He asked whether Soviet Russia had agreed. Certain delegates of Soviet Russia are on their way to North America to hold discussions of the type that have been referred to here to-day. I believe there was some delay on account of weather, and I am not sure whether the delegates have arrived on this side or not. They have an engagement to hold discussions in the United States and have been invited to hold discusions in Canada and in London, and other bilateral discussions of that kind are in the offing. It is hoped that, as the weeks go by, all the countries that are concerned will have had a chance to discuss the problem with other countries in an informal way, and it is also hoped that out of these informal discussions will come a basis for agreement. Final agreement can be reached only when all the countries interested sit down round a table for a formal conference.

Mr. NIXON: The map at the back of the annual report of Trans-Canada Air Lines shows the proposed extensions of a line running from Toronto through Sault Ste. Marie to Port Arthur and so on. Could the minister tell us what the plans are for carrying out the proposed extension and also for locating an airfield at Sault Ste. Marie?

Mr. HOWE: I have said several times that no material development of civil aviation can be expected in the war years. The post-war plans will certainly call for an airport at Sault

Ste. Marie to implement the Trans-Canada Air Lines map that was published in the last annual report. The intention is to have a more direct route from Toronto to Sault Ste. Marie, the lakehead and Winnipeg, to supplement the longer route that is now being operated. I am not suggesting that the longer route will be abandoned; it certainly will not be, but there will be a shorter route for through traffic, which will include Sault Ste. Marie and the lakehead.

Mr. McNEVIN: I wish to make a few observations with respect to civil aviation. I shall not deal at any length with the international aspect of the situation except to say this: It might be well if we refreshed our memories with respect to the four freedoms of the Atlantic charter. As I recall them, they are, freedom from want, freedom from fear, freedom of worship and freedom of speech or freedom of expression. I think most hon. members will agree that if we go back at least to the years immediately preceding the great war and up to the present time we shall find that nationalism was rampant throughout almost the entire world. I believe one of the ideas contained in the four freedoms would be the replacing of nationalism with internationalism, and that being true, I think we should at least be prepared to support the internationalist idea in civil aviation in the post-war period.

With respect to civil aviation there is a local matter that I should like to bring to the attention of the minister. During the period of preliminary investigations with regard to the aerodrome sites secured for the British commonwealth air training plan a number of sites were investigated in the riding of Victoria, Ontario. The city of Peterborough and the town of Lindsay, together having a population of well over 40,000, represent the two largest inland populated places between Ottawa and Toronto with the possible exception of the town of Pembroke. I think an aerodrome site located in that area would be on an almost direct route between Ottawa and Toronto. At least one or two sites in the vicinity of Lindsay warranted flight checking and quite extensive investigations.

I was pleased to note in the minister's remark this evening that he intimated in the post-war period consideration would be given to reenacting the principle of giving some assistance to municipal airport enterprises, and I should therefore like the area to which I have referred to be remembered when further consideration is given to civil aviation in the period immediately following the war.

[Mr. Howe.]

Mr. HOWE: I may say that we shall be glad to keep the needs of Lindsay in mind. We should like to have an airport there. My hon. friend knows it is difficult country in which to locate an airport. We hope that after the war the combined wisdom of the area can find a suitable spot and that we can have an airport there.

Mr. MacNICOL: I should like to ask the minister a question with respect to the operation of air lines along the Mackenzie river valley. A gentleman from that country told me some days ago—he may not have the picture correct, and in what I am about to say I am repeating what he told me—that the airfields all the way down as far as Fort Norman are more or less under the control of United States groups. Whether that is so or not, I do not know, but I should like to know.

What will be the position of the airfields built between Fort Norman and White Horse? I expect to fly there this coming summer. I believe that airfields have been built all along the Canol pipeline. I do not know whether that is so or not, but if they have been built, to whom would they belong and under whose control are they at the present time? Are they wholly under the control of the United States army? Then, from the places I have mentioned down to Aklavik, under whose control are the airfields? By whom were they built? I know that some were built by Canada, but have additional ones been built by the United States army, and, if so, what is the position with regard to those airfields at the present time, and what will be the position when the war is over?

Mr. HOWE: The ownership of all airfields in that area is Canadian. Certain air strips were built in connection with the Canol project as part of the project. They were built by the Americans who built the project. The fields, if you can call them that, are probably under the control of the Americans at the moment except in a few instances. Most of the transport work is handled by Canadian Pacific Air Lines. United States planes undoubtedly fly there as well. It is not like an organized air line; it is simply a landing-strip, or what we would call a bush operation, but there are services—

Mr. MacNICOL: That is between what points?

Mr. HOWE: That is along the Canol project, up toward Aklavik.

Mr. MacNICOL: Will the minister kindly tell us a little more about the situation between Fort Norman and White Horse?

Mr. HOWE: There are two or three emergency strips there which were used in constructing the pipeline. A trip can, I suppose, be made by land planes.

Mr. MacNICOL: Do C.P.A. planes fly between those two points?

Mr. HOWE: Yes, they fly there. Control of the staging route is in the hands of the Royal Canadian Air Force. My hon. friend was speaking of the airfields along the Mackenzie river. To-day probably three-quarters of those airfields are under the control of the Americans who built them and are working in the vicinity. Two or three have been taken over by the Department of Transport, and control of the others will be taken over as soon as that can be done conveniently. I presume that by autumn all those airports will be under the control of the Department of Transport.

Mr. MacNICOL: Supposing I want to fly from Fort McMurray to Fort Providence, and then from Fort Providence to Fort Norman. Will I travel on a United States plane or on a C.P.A. plane; do I land on C.P.A. fields or do I land on fields under the control of United States officials?

Mr. HOWE: If you go at all you must go on C.P.A. planes, for any United States planes flying there do not carry tariff passengers. The fields in that area represent the ideal condition we are trying to bring about in international aviation, in that there is freedom of transit, freedom to land and refuel, and freedom to deliver passengers. You will have no trouble; if a field is there, you can land on it. As a matter of fact, my officer tells me that the field at Fort Providence has recently been taken over for Canadian operation. If my hon. friend lands at Fort Norman, however, at the moment it will be a United States operation.

Mr. LACOMBE: On March 30 of this year the following question was passed as an order for return:

1. Has J. Francois Leduc, consulting engineer and associates, whose offices are located at No. 354 St. Catherine street east, Montreal, obtained any contracts from the dominion government during the years 1939, 1940, 1941, 1942, 1943 and 1944?
2. If so, for what total amount?
3. What amount has been paid to them up to the present time by the government, and how much money was paid them during each of the above-mentioned years?

The reply, as contained in sessional paper No. 263, was as follows: Contracts between the Department of Transport, air services branch, and F. J. Leduc and associates, covering the inspection of materials at various airports under construction by the Department of Transport, were: Mont Joli, authorized contract, $12,877.80, amount paid $11,539.73; Saguenay, authorized contract, $19,000, amount paid $15,702.09; St. Honore, contract authorized, $12,000, amount paid, $11,968.36.

(Translation) Mr. Chairman, since we are discussing the appropriations of the Department of National Defence for Air, I wish to bring to the attention of the committee what is, to my mind, a downright abuse. A friend of the government who is a member in the Quebec legislative assembly has been awarded government contracts for $43,877.80 solely for the inspection of materials at three airports under construction. That member, Mr. François Leduc, has already been paid by the government $39,210.18 for the mere inspection of materials.

Why were the questions I asked in that connection passed as orders for returns? I would not believe that everything was arranged so that the government's answers might not appear in *Hansard*. That is far from my thought. But I want to know, down to the least detail, about the staggering price paid for the inspection made by Mr. François Leduc, because I want and have a right to know, as a member of the Canadian parliament, where the people's money voted by this house is going. I wish to know whether the inspection of those materials was detailed or special or whether a general inspection was made.

Mr. Chairman, as civil aviation is becoming more and more important, we must provide immediately for the evolution of this system of transportation. All sections of our vast country should be the subject of a thorough survey. Civil aviation is destined to render priceless services in all fields: agriculture, commerce, industry, mail carrying, etc. It will become our most efficient protection against forest fires and other major calamities. Epidemics, which so often have decimated the populations far removed from large cities, will be tamed by the easy availability of adequate medicine, doctors and nurses. In other words, civil aviation will play a worthy part in the protection of our natural resources as well as our investments and man-power. I can visualize it in a still nobler role. It will furnish the quickest and most powerful help to future pioneers and missionaries. It will greatly facilitate the civilization of Canada and the spread of the gospel throughout the country. These last two accomplishments alone would be sufficient to deserve for civil aviation the best that our government can offer.

Mr. JAQUES: It seems to me that the minister replied to the hon. member for Macleod in a disparaging way. I gathered that the impression the minister wished to leave with the members of the house, and, I suppose, with people outside the house, was that this scheme contemplates nothing further than what is connected with civil aviation. On March 17, when the minister introduced this scheme to the house he said, as reported at page 1577 of *Hansard:*

> As I have already mentioned, on April 2 last year the Prime Minister gave a statement of the government's position with regard to international air transport, making it clear that our policy would be one of international cooperation and collaboration and that we would support whatever policy seemed best calculated to serve not only the immediate national interests of Canada, but our overriding interest in the establishment of an international order.

That seemed to me a horse of a totally different colour. This scheme is a great deal more than merely dealing with civil aviation. It contemplates an international order: in other words, a world government. I call the attention of the committee to another international scheme which this government is behind, namely a scheme for the international control of exchange and currency stabilization. Let me read this statement which I take from the Keynes scheme for world currency stabilization:

> (a) The union might become a pivot of the future economic government of the world.
> (b) It might set up an account in favour of an international policing body.
> (c) It would provide excellent machinery for enforcing a financial blockade.
> (d) We have here a genuine organ of truly international government.

This is not the right time to say any more about that scheme, but we shall have plenty to say later. I should however, like to leave this thought with the committee, that there is a great deal more about this apparently innocent scheme of civil aviation than meets the eye.

Mr. LACOMBE: Will the minister kindly give me the details regarding the contracts which the department let for work at Saguenay, Mont Joli and St. Honore?

Mr. HOWE: I am sorry I have not the information at hand, but I shall be glad to look it up.

Mr. SLAGHT: I desire to clarify, if I can, the real situation regarding Canada's position in post-war civil aviation. I believe that the members of this house and the people of Canada owe a deep debt of gratitude to the minister and his government for the position he has taken on behalf of our country with reference to this problem. It will be recalled that he crossed the ocean in October for the special purpose of attending a conference with Lord Beaverbrook in London, and there met with the representatives of India, Australia, New Zealand and South Africa; and the nations of the commonwealth sat down and evolved in an exploratory way the attitude they felt they should take on this important subject. The minister placed on *Hansard* at page 1580, on March 17, the joint press release that followed that conference, and may I remind hon. members again of what was issued:

> The conference with the dominions and India on civil air transport, which has been meeting in London since Monday last, concluded its sessions this morning. The conversations were informal and exploratory, and the conclusions reached are subject to confirmation by the governments represented at the conference. Unanimous agreement was reached as to the recommendations which should be made regarding the lines on which civil aviation should be developed after the war, and as to the contribution which the governments of the commonwealth and empire could make towards international cooperation in this field.

Then, on the same page of *Hansard,* Lord Beaverbrook, in referring to the issues which they had discussed at the conference said that they were "adequate for testing immediate opinion in relation to civil aviation". That is as far as the commonwealth nations have gone. Canada, we are agreed, occupies probably first place strategically and geographically on the map of the globe with regard to post-war civil aviation. You must cross Canada going east, west, north, or south, in practically any direction. So that we are a pivotal country in whatever plan is ultimately agreed upon. I am sympathetic with the curiosity of hon. members, particularly those of the official opposition, who ask so many questions and endeavour to put the minister in a position where he might appear not to be taking the committee into his confidence as fully as he might with regard to the exact programme.

But let me point this out. The commonwealth nations have had their conference in an exploratory way. It yet remains, before any final agreement can be reached, to sit down with the United States, Russia and China. We are fourth in war production among the allied nations, and before the war we stood fourth or fifth in world trade. Yet it seems to me that, by the aggressive attitude our minister and government have taken, in the matter of civil aviation, Canada now occupies first position among the nations of

the world because, instead of having a national isolationist attitude such as was taken by the great leader of the gentlemen of the official opposition a few years ago when he said he would blast a way for Canada into the markets of the world, this government has adopted the very opposite attitude. We have had the courage, and we have been the only nation in the world to have the courage, to lay before the parliament of our country Canada's full, all-out exact attitude with regard to international post-war civil aviation. That policy which we have been the first to announce it seems to me is a splendid declaration of international friendship and cooperation. We are now in a position to go with outstretched arms not only to the United Kingdom and the other nations of the commonwealth but to all the countries of the world and say: We have had the courage to tell you what we think should be the world basis for post-war civil aviation. Here is our plan. Now let us sit down with you as soon as conveniently possible and discuss it, and make changes where changes are necessary. But here is a basis for us all to gather around and discuss at the conference table, to bring about a final solution of this all-important problem. What more could one ask of any country? If the official opposition in congress charged the authorities of the United States with not having placed before them a declaration of their all-out post-war civil aviation policy, there might be some point in their criticism. If some member of the mother of parliaments took the same position there might be some point in it, but as far as this country is concerned we stand first, the other nations in the world coming after, in the matter of friendly proposals for a final, definite authority and cooperation. This committee might well recognize that fact to-night. I wish to pay my personal tribute to the minister and his government for having had the courage to take a position of that kind and be the first to endeavour to bring a real and final policy into being among the nations of the world.

Mr. FRASER (Peterborough West): This evening the minister told the committee that the industrial development bank which is to be set up would look after boys returning from overseas who might want to establish air lines. I find that the preamble of the industrial development bank bill states:

> Whereas it is desirable to establish an industrial development bank to promote the economic welfare of Canada by increasing the effectiveness of monetary action through ensuring the availability of credit to industrial enterprises.

The interpretation of "industrial enterprise" is given as follows:

> "Industrial enterprise" means a business in which the manufacture, processing or refrigeration of goods, wares and merchandise or the building of ships or vessels or the generating or distributing of electricity is carried on.

It does not say anything about aviation; in fact aviation would be entirely out. In the banking and commerce committee there was some discussion about a ceiling on loans, and the governor of the Bank of Canada said that there should not be a ceiling. Mention was made of men returning from overseas, and the governor of the Bank of Canada said that there was no reason why loans of $10,000 or $15,000 should not be made. However, no mention was made of aviation and, as I say, no mention is made of aviation in the industrial development bank bill.

Mr. McNIVEN: Change the bill.

Mr. FRASER (Peterborough West): The bill will have to be changed. Evidently the minister was under the impression that the bank could take care of things of that kind. When the boys return from overseas many will be wanting to establish garage and repair shops along our tourist highways, and that is not covered.

Mr. McNIVEN: It should be.

Mr. FRASER (Peterborough West): It should be, absolutely. When mention was made of loans of $5,000, $10,000 or $15,000 to permit boys returning from overseas establishing businesses, it was practically left out. We were talking of loans of $100,000, $200,000 or $300,000, and then we got down to $10,000 or $15,000 or $20,000. I think this bank should be able to take care of what has been mentioned to-night, namely, aviation enterprises and garages which the boys returning from overseas will want to establish. There is every likelihood that our tourist trade will be greater than ever. The government is setting up a tourist committee, and a convention was held the other day to discuss these matters. I think everything possible should be done to encourage boys returning from overseas to set up garages along our tourist routes.

Mention was made to-night about Peterborough and Lindsay. We should have a field there. The deputy minister has stated that surveys have been made in the Peterborough district. That city is most anxious to have an airfield. It is one of the industrial centres of Canada. I think the hon. member for Victoria, Ontario, (Mr. McNevin) stated that Peterborough and Lindsay had a population

of about 40,000. Peterborough and its suburbs have a population of about 32,000. The country there is rolling, but it is a beautiful country. Perhaps it may be hard to put in an airfield, but they have put them in in more difficult places. I think everything possible should be done along that line.

Mention has been made of the possibility of establishing small air lines, and I was wondering if the minister had in mind the selling of bombers and other types of planes. In a return that was brought down I notice that six Boeing planes were sold to the T.C.A., and one to the Maritime Central Airways Limited. Is it the intention of the government to sell these planes in order that transport lines may be established for carrying freight and passengers?

Mr. HOWE: The Boeings referred to by my hon. friend were an old model of transport plane. They were suitable for transport work, if no better type was available, but they were outmoded. It would hardly be a kindness to anyone preparing to start up in the transportation business to sell him a bomber or military plane. If certain military planes are capable of being converted economically to transport planes, that conversion will be made, but very few military planes are. The intention is to make any reasonable use of military planes that can be made, but it is not to sell military planes just for the sake of selling a plane to someone to fly hither and yon. Unless they can be converted economically they will not be sold to air lines or to the general public.

Mr. FRASER (Peterborough West): The disposal committee will be selling some of these planes after the war?

Mr. HOWE: Some of them, yes.

Mr. FRASER (Peterborough West): And some of those planes will be suitable for carrying freight?

Mr. HOWE: Possibly.

Mr. FRASER (Peterborough West): In the United States some planes have been turned over to passenger lines?

Mr. HOWE: No. Certain military planes are capable of being used for freighting with a different fuselage, but such planes have not been turned over to the air lines. The Liberator is used as a bomber, while another version is used as a freighter. Both have the same wings and the same engines, but the fuselages are different.

Mr. FRASER (Peterborough West): What use do the T.C.A. make of the Boeing machines?

[Mr. G. K. Fraser]

Mr. HOWE: For carrying passengers and freight, but the Boeing is a civilian model.

Mr. GRAYDON: The conversion of our aircraft from military to civilian use brings to mind one type of plane which the minister has not mentioned, the Lancaster. Can he give the committee any information as to the possibilities of using what Lancaster bombers may be still usable when the war is over, for cargo or passenger carrying purposes?

Mr. HOWE: The Lancaster bomber is being used by Canada to transport mail and a few passengers across the Atlantic. It has not been converted for use as a passenger plane; at least it is not an economical civilian plane. It is a very useful plane; it carries a very large load of mail, larger than any other plane that crosses the Atlantic. But it will carry only a few passengers; it is not a plane which could possibly survive in competitive conditions after the war. However, as I mentioned the use of a civilian fuselage on the Liberator bomber, the same is possible with the Lancaster. The York was an attempt to put a commercial fuselage on a Lancaster assembly, but it has not proved to be the type of plane which is required on this continent. I believe a few have been built for use in Europe. We are hopeful that a fuselage will be developed which will produce a commercial plane that will be competitive. We are looking forward to that, but it will be a matter of a good many months before that can be brought about. That is the hope we have regarding use of Lancaster planes in the post-war period.

Mr. GRAYDON: My understanding, although perhaps the minister can enlighten the committee on this, is that the Lancaster is a much better machine from the point of view of transoceanic travel than the D.C. 4 would be. Would the minister give some information on that from a post-war point of view?

Mr. HOWE: I do not understand what my hon. friend means by a "better" plane. Better for what? It is a better plane to drop bombs, but if you ask me to go in competition with a Lancaster plane to-day against a DC 4 plane across the north Atlantic, I can tell you at once that the Lancaster plane operator would starve to death. When we are talking about civilian planes, the earning power of the plane is the important factor. The DC 4 carries forty-two passengers across the Atlantic. The Lancaster will carry ten passengers. If it is a matter of freight, the Lancaster will carry a bigger load of freight than the DC 4 across the Atlantic; but, as my hon. friend knows, freight is not a pay load in peace time.

Mr. GRAYDON: My hon. friend is, of course, speaking of the Lancaster as at present built, but he intimated a few moments ago that experimentation is proceeding so far as the fuselage is concerned, presumably with the object of increasing the passenger possibilities and to put it in competition with the DC 4 or another passenger plane.

Mr. HOWE: Yes. That is one of a great many planes that are on the drafting board to-day as post-war possibilities. I do not think anyone can predict the performance of a plane on the drafting board. It takes anywhere from four to five years after a plane is first flown to make it a first-class aeroplane. I do not think anyone should speak with great certainty about what the Lancaster will be with a passenger fuselage. I think we shall have to wait and see.

Mr. GRAYDON: I assume the situation at the moment is such that there is a possibility that the Lancaster may yet be the plane best adapted for passenger and freight use in the post-war years. As I understand it, there is no definite decision with respect to either the DC 4 or the Lancaster so far as post-war possibilities are concerned.

Mr. HOWE: We do know the DC 4; we can go and look at it. There is at the moment no such thing as a post-war Lancaster passenger plane. As I say, it is on the drafting board, just as are twenty other planes, for post-war use. Which will be the best plane of the lot, I am sure I cannot say. All I can guarantee to my hon. friend is that none of them will be flying within two years.

Mr. DIEFENBAKER: There is one matter on which I should like to get some information, having to do, I suppose, with the establishment of the new type of machinery designed to control aviation in this country. I will refer to what the minister said, as reported in *Hansard*, at page 1574.

It is proposed to establish a new board, to be called the air transport board, which will confine all its activities to air traffic, and which, in addition to performing the regulatory duties now lodged with the board of transport commissioners, will be charged with the responsibility for advising the government on ways and means of bringing about a rapid and well-planned expansion of transport by air. The proposed board will examine the needs for new commercial services, and make recommendations for their establishment and expansion, in both the domestic and international fields; receive applications for the services and issue commercial licences; establish tariffs and regulate rates; examine the ownership, financial structure, operations, and financial position of carriers, make recommendations for needed financial assistance; advise the government on matters affecting the operation of existing aerodromes; report on the need for new aerodromes; and perform such other allied duties as may be determined.

Is that board to be merely an advisory board, or will it have mandatory powers such as are to-day possessed by the board of transport commissioners in so far as transport in general is concerned? If it is to have mandatory powers, then it will have to control all our international as well as domestic routes. If it is to have merely suggesting powers, then it is a body that in reality has no powers whatever; it is a pseudo-judicial body whose decisions may or may not be accepted by the government. Is the minister prepared to explain what he has in mind, and particularly whether the decisions of this new board are to be subject to the veto of the government?

Mr. HOWE: The nature of the proposed board is quite different from that of the board of transport commissioners. The board of transport commissioners is a judicial board administering an act. The proposed air board is almost an exact parallel of the civil aeronautics authority of the United States. That board functions within the department of commerce and through executive powers of the president. The air transport board will be a board within the aeronautics branch of the Department of Transport and will get its power through the Minister of Transport. I think my hon. friend would not seriously propose that the government divorce itself entirely from air policy. That would be an abrogation of responsible government. The policy must be determined by the government, and administered with the advice of the air transport board.

Progress reported.

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

Friday, April 21, 1944

The house met at three o'clock.

H. R. H. PRINCESS ELIZABETH

GREETINGS FROM PARLIAMENT OF CANADA ON THE OCCASION OF HER EIGHTEENTH BIRTHDAY

Right Hon. W. L. MACKENZIE KING (Prime Minister): Hon. members will recall, Mr. Speaker, that to-day is the eighteenth birthday anniversary of Her Royal Highness Princess Elizabeth. Last night I sent a message to Her Royal Highness on behalf of the government and the people of Canada, but I am sure that Her Royal Highness would be pleased to receive greetings from the par-

liament of Canada to-day. I would therefore say, if I may; Mr. Speaker, on behalf of hon. members, that this House of Commons sends its warmest and best wishes to Her Royal Highness, and among them the wish that she may have very many very happy returns of the day.

Mr. GORDON GRAYDON (Leader of the Opposition): Following the Prime Minister's remarks in recognition of this very happy occasion, I should like to take the opportunity of associating the official opposition with the message which he has suggested may properly go from the House of Commons at this time. May I add, to what he has said, that Her Royal Highness celebrates, on this her eighteenth birthday, the occasion on which she becomes officially a councillor of state on the grim and momentous threshold of climacteric events so far as the war is concerned. The royal family has, I think, attained a position in the esteem of the nation and empire more elevated than perhaps it has ever held before, since that family has been sharing in a very intimate way in the trials and tribulations, the sorrows and sadness of the people. One is prompted at this time to make some mention of this, and I should like therefore to associate the official opposition with the remarks of the Prime Minister and to couple therewith our felicitations and expressions of respect, devotion and affection to Her Royal Highness in the very happy event now being celebrated.

Mr. M. J. COLDWELL (Rosetown-Biggar): May I just say briefly that we too would join in the felicitations to Her Royal Highness Princess Elizabeth. We regard the royal family as a symbol of unity among the nations which comprise this great commonwealth, and as such we honour and respect them.

Mr. J. H. BLACKMORE (Lethbridge): The members of my group are pleased to join with the Prime Minister and others who have spoken in tendering to Her Royal Highness and the royal family very best wishes for a long and happy time following these dreadful years.

PARLIAMENTARY RESTAURANT

PRIVILEGE—RESOLUTION ADOPTED AT MEETING OF JOINT COMMITTEE ON MARCH 21

Mr. G. A. CRUICKSHANK (Fraser Valley): I rise to a question of privilege. Under date of April 20 I have received a notice, signed by the Clerk of the House, which I think is unfair to the Clerk himself, in connection with the parliamentary restaurant. As I read the declaration, it actually bars one of the most responsible officers of the House of Commons, the Clerk himself, from eating in the parliamentary restaurant. Perhaps it is a misprint; I do not know. It is not rationing, but certainly, according to the letter I have received under the date indicated, the Clerk of the House of Commons is barred from admission to the restaurant which he supervises, Mr. Speaker, under your jurisdiction. It also bars Brendan Bracken and Elmer Davis. I do not see why I should not have the privilege of taking these gentlemen to the parliamentary restaurant, or why any member of the press should not be allowed to do so. I do not know of any better way of cementing the friendly relationship between the united nations than that I should have the privilege of taking Elmer Davis and Brendan Bracken to the restaurant.

[*Later:*]

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): Mr. Speaker, I am not quite certain whether my inquiry should be directed to Your Honour or to the Prime Minister. It concerns a matter which has been made the subject matter of a question of privilege at to-day's sitting. On March 21 last the joint committee on the parliamentary restaurant adopted certain regulations affecting members of the Senate and the House of Commons, deputy ministers, private secretaries, and members of the press gallery, as well as others mentioned in the regulations. I have no desire to reflect upon the wisdom or otherwise of the regulations so passed; that would be highly improper. I should like however to inquire if it is the custom in respect of a joint committee of both houses of parliament for a report to be presented and concurrence asked, the procedure which is followed in respect of the reports of single chamber committees. I raise this point merely to seek information, in view of the fact that the rights and privileges of some of the persons mentioned appear to have been drastically affected by the new regulations, without any opportunity having been given to parliament to express its opinion.

May I add that in my time in parliament I cannot recall a parliamentary joint committee having made a report to the house. I cannot recall on the other hand that there has been any regulation which has so drastically affected certain persons who perhaps have not the same opportunity to express their opinions in the house.

Mr. SPEAKER: The restaurant committee is not a committee of the house, but is a joint

committee of the Senate and the House of Commons. At several meetings they have had under consideration the conduct of the restaurant, and came to the conclusion that there were many abuses which had to be rectified, more particularly in these days of war. The committee has met, and will again meet. May I say that these are the considered opinions of the committee, and are not those promulgated by the Clerk of the House, who is in fact only acting as the clerk of the committee. These other matters have to be taken into consideration. I rather think the committee may feel that they should make some report to the house respecting their deliberations, and their reasons for coming to this conclusion. That is a matter I shall bring before it, when the proper time comes.

Mr. GRAYDON: May I say that I hope nothing in my remarks would indicate that I was placing any responsibility upon the Clerk. I did not mention that. I realized that it was a resolution of the joint parliamentary committee, as was indicated. However, I do hope that Your Honour will review the situation and perhaps find it possible to have the matter dealt with again by the committee in case there are certain injustices which should be remedied.

Mr. SPEAKER: I used the words, "promulgated by the Clerk" because they appeared in one of the Ottawa newspapers. If it is suggested that responsibility for what was done rests upon the shoulders of the Clerk, that is entirely wrong. As I have indicated, the matter is before the committee and it will be the subject of further conversation and discussion. I think I can say that the committee may consider that a report be made later to the house.

Mr. A. W. NEILL (Comox-Alberni): I wonder if I might be allowed to speak a sentence, or at any rate not more than two, in connection with the remarks made by the hon. member for Fraser Valley (Mr. Cruickshank) and later by the leader of the opposition (Mr. Graydon) on the new rules governing the cafeteria and the restaurant. Of course, I must endorse the remark made by the leader of the opposition that the Clerk is in no way responsible. He merely sent out the notice. The committee is responsible. The leader of the opposition is the leader of a party and perhaps he spoke with due care and consideration having regard to the fact that he is a leader. I am not the leader of any party; I am responsible only to my constituents, and I am prepared to take a chance with them.

After twenty-eight years of experience in public life I consider the rules suggested here the most colossal piece of snobbery I have ever seen in print. If the house allows them to go without being changed I shall be ashamed to be connected with a body that has produced this kind of class legislation, which I thought had gone out of fashion fifty years ago. The day before I was first nominated in 1898 to run as a member I was working in a gravel pit shovelling gravel, and none of my constituents thought any the worse of me, nor was I ashamed. Yet apparently we as members of parliament are to be treated as being superior to the people who sent us here.

Mr. SPEAKER: The remarks that have been made by the hon. member are entirely contrary to what is intended by the committee. I cannot allow such a statement to go to the country, that a pedestal is being set up for members of the Senate or of the House of Commons. The restaurant is subject to rules which the committee are endeavouring to apply as properly as may be for the convenience of members, senators and others, and such remarks as the hon. gentleman has made are entirely contrary to the whole spirit of the committee.

Mr. NEILL: I challenge the Speaker to put the notice into *Hansard* so that the public will get it and can judge.

PRIVILEGE—MR. HANSELL

REFERENCE TO REMARK OF MR. KNOWLES IN DEBATE ON APRIL 20

Mr. E. G. HANSELL (Macleod): Mr. Speaker, I rise to a question of privilege respecting what I believe to be a reflection upon the entire Social Credit group in this house. After I spoke last evening the Minister of Munitions and Supply (Mr. Howe) replied as appears at page 2207 of *Hansard*. He said:

> Just a word in reply to my hon. friend. I have listened with great interest to the foreign policy of the Social Credit party. I think this is the first time it has been expounded in this house.

Then the hon. member for Winnipeg North Centre (Mr. Knowles) made this remark: "International anarchy". I heard the hon. member for Winnipeg North Centre make that remark. He did not say it very loudly. I did not want to make a public example of him by asking him to withdraw it then, as I thought the *Hansard* reporter did not get it. Evidently he did, since it is recorded here. I ask my hon. friend to withdraw that remark. If he is a gentleman he will do it.

Mr. KNOWLES: Mr. Speaker, may I say that in making that remark I was simply expressing my view as to what was involved in the kind of policy which the hon. members were expounding. It stands.

Mr. HANSELL: The hon. member is still not a gentleman.

Mr. KNOWLES: I rise to a question of privilege—

Mr. SPEAKER: I must ask the hon. member (Mr. Hansell) to withdraw that statement.

Some hon. MEMBERS: Withdraw.

Mr. SPEAKER: I ask the hon. member for Macleod to withdraw that statement.

Mr. HANSELL: Mr. Speaker, might I ask the hon. member for Winnipeg North Centre first to withdraw his remarks with respect to the policy we are expounding, which he has described as "international anarchy"? If he will do that I shall be pleased to withdraw my remark.

Mr. SPEAKER: The hon. member has made a statement reflecting on another hon. member which he must withdraw. It is not parliamentary.

Mr. HANSELL: I will be a gentleman and withdraw that remark.

STANDING COMMITTEES

CHANGES IN PERSONNEL

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

That the name of Mr. Nicholson be substituted for that of Mr. MacInnis on the special committee on social security.

That the name of Mr. Noseworthy be substituted for that of Mr. MacInnis on the standing committee on banking and commerce.

That the name of Mr. Farquhar be substituted for that of Mr. McKinnon (Kenora-Rainy River) on the special committee on defence of Canada regulations.

That the name of Mr. Rickard be substituted for that of Mr. McKinnon (Kenora-Rainy River) on the special committee on reconstruction and reestablishment.

Motion agreed to.

HYDE PARK DECLARATION

PRESS REPORTS AS TO CANADA'S FINANCIAL RELATIONS WITH THE UNITED STATES

Hon. J. L. ILSLEY (Minister of Finance): The other day the leader of the opposition (Mr. Graydon) made some inquiries based on certain speculations which have appeared in the press concerning Canada's financial relations with the United States. I wish to take this opportunity to explain to parliament the present situation and some of its background, and thereby, I hope, to correct some of the false impressions which may have been created by the rumours to which the hon. gentleman referred.

May I state at the outset that as a result of a recent series of conferences between the treasuries of Canada and the United States, I was able to reach a complete understanding with the Hon. Henry L. Morgenthau, Jr., Secretary of the United States Treasury, in regard to our mutual financial arrangements which had their origin in the Hyde Park declaration of April 20, 1941.

The house will recall that that declaration was made at a time when Canada's reserves of gold and United States dollars had been reduced to dangerously low levels as a result of our huge and steadily increasing purchases in the United States of machinery, equipment and materials, which were required both for our own war effort and for the production of war supplies for our allies. Even in normal times, Canada purchases much more from the United States than we sell to our neighbours. Since the outbreak of war, however, these imports from the United States have shown an extraordinary increase and last year according to the trade returns they amounted to no less than $1,424 million, of which imports for the armed services and war production accounted for roughly one-half. It is therefore not difficult to realize why our limited supply of United States dollar exchange was for so long the most serious bottleneck in our war effort or why we had with considerable reluctance to take so many drastic measures to conserve our dwindling resources of this scarce commodity.

This exchange problem was the most urgent problem in our economic relations with the United States, which engaged the attention of the Prime Minister of Canada and the President of the United States when they met at Hyde Park just three years ago yesterday. However, there was also a growing danger of possible unnecessary duplication of production facilities on the north American continent, with consequent undue pressure on scarce labour and materials, if each country tried to make itself wholly self-sufficient in the field of war supplies. The basic principle of the Hyde Park declaration, therefore, was an agreement that "in mobilizing the resources of this continent each country should provide the other with the defence articles which it is best able to produce and, above all, produce

quickly, and that production programs should be coordinated to that end." Hence, while Canada's purchases of war supplies in the United States had increased greatly and were bound to increase still further, the United States undertook to increase its purchases in Canada of urgently needed war supplies in respect of which we had facilities for speedy and economical production. A second provision of the declaration was that in so far as Canada's defence purchases in the United States consisted of component parts to be used in equipment and munitions which Canada is producing for Great Britain, Britain would be able to obtain these parts under the lend-lease act and ship them to Canada for inclusion in the finished articles being produced here for her account. This provision has proven difficult to apply in practice and its effect has therefore been limited.

This very simple understanding, which by the way was never embodied in any formal treaty or document, is an outstanding example of the neighbourly good will and the capacity for constructive cooperation which our two countries have so frequently displayed in their relations with one another. It was not a one-sided arrangement but was entered into for the mutual advantage of both countries. True, one of its primary purposes was to assist in solving Canada's exchange problem, but the reason for desiring to solve this problem was merely to enable Canada to continue to make her enormous purchases of war supplies and other goods in the United States. We never wished to ask the United States for lend-lease assistance—we always felt that, as a nation in a favoured position, free from the ravages of war, we were in duty bound to stand on our own feet and indeed to share with the United States in assisting other less fortunate of our allies in carrying on the war against the common enemy. That position we have been able to maintain and we shall continue to do so—I am sure it is a position which this house and the Canadian people will approve. I need scarcely add that to the extent that the United States increased its purchases in Canada, Canada gave full value for the money in the form of vital munitions of war which contributed to the war effort of the United States without increasing the strain upon its material and labour resources.

The successful working of this Hyde Park declaration has been referred to on previous occasions. In my budget speech of last year, for instance, I stated that our shortage of United States dollars had ceased to be a major problem. Early in 1943, therefore, we reached an understanding with the United States Treasury to the effect that if our holdings of gold and United States dollar reserves should tend to rise above an agreed maximum we would take appropriate steps to offset that tendency, and the United States on its part agreed to follow a programme of procurement of war supplies such as to prevent our holdings of these reserves from falling below an agreed minimum.

Hon. members are aware of the legal provisions of the Exchange Fund Act prohibiting disclosure of our exchange holdings, and I shall not assist the speculators by transgressing in respect of that principle. It will perhaps be sufficient for me to say that the agreed range to which I have just referred was measurably below the country's total holdings of gold and United States dollars at the outbreak of war, a time at which those holdings were not unduly large.

During 1943, unanticipated developments, not related to the Hyde Park declaration, served to increase our supply of United States exchange beyond expectations, in spite of the steps taken to offset its expansion. The arrangement which was concluded with the United States Treasury last month covered, therefore, a series of measures, to be taken by Canada, intended to reduce our balances to the agreed range. In addition to immediate payment for certain past purchases of United States equipment and supplies for which bills had not yet been presented, the Canadian government has undertaken to reimburse the United States for all the airfields constructed by the United States government in Canada and for the telephone line from Edmonton to the Alaska boundary also built by the United States government. Some time ago, the decision to reimburse the United States for all permanent improvements to airfields on the northwest staging route and in the northwest generally was announced. This arrangement has now been extended, and Canada is assuming the cost of permanent improvements to all airfields constructed in whatever part of Canada by or for the account of the United States government. A conference of officials of the two governments will be held shortly to finalize the cost of these permanent installations. Further, a number of contracts placed by the United States army and navy in Canada will be cancelled. This procedure affects, of course, only a relatively small part of the United States contracts placed in Canada. The productive capacity which otherwise would be released by these cancellations of United States contracts is being taken up by

orders placed by the Mutual Aid board for the purpose of meeting the urgent war needs of other united nations.

The understanding which I reached last month with the Secretary of the United States Treasury brings to an end the special financial arrangement entered into last year. Canada and the United States are mutually released from the obligations assumed under that special arrangement.

However, in so far as the Hyde Park declaration is concerned, the principle of close collaboration in war production, which was an essential part of that declaration, and the provision relating to components for the United Kingdom, still stand.

I trust that information which I have given will not lead hon. members to jump to over-optimistic conclusions. We have passed safely through a period of extreme gravity in our exchange position. I hope that it is now over, but the experience which I have had in the first three or four years of war has given me a vivid appreciation not only of the seriousness of exchange problems but also of the rapidity with which the position may change.

INTERNATIONAL MONETARY FUND

PRINCIPLES GOVERNING CONSTITUTION AND OPERATION

Right Hon. W. L. MACKENZIE KING (Prime Minister): I desire to take this opportunity of making an announcement which is being made to-day in other capitals.

Over many months, officials of a number of the united nations have been giving close study to the international monetary arrangements which will be desirable after the war. The house will recall that on April 14, 1943, I tabled in the house a proposal by United Kingdom officials for an international clearing union and one by United States officials for an international stabilization fund. On July 12, 1943, the Minister of Finance tabled tentative draft proposals of Canadian experts for an international exchange union. These proposals were all directed to the same ends, namely, the achievement of international monetary arrangements compatible with the balanced growth of international trade and with domestic economic policies aimed at high employment and incomes, but there was a considerable divergence in the methods suggested for achieving these objectives. Since that time, continuous efforts have been made to reach a common view as to the principles to be followed in post-war monetary arrangements.

I am glad to be able to announce that as a result of discussions among experts of the united nations there is now a consensus of opinion among those participating on the need for the establishment of an international monetary fund and a statement has been drawn up of the principles which should govern its constitution and operation. I wish to make available, with the permission of the house, a document setting out this statement of principles, but to conform to arrangements with other governments, it will be tabled when the house reassembles at 8 o'clock.

In announcing this agreement on the principles which should govern the constitution and operation of an international monetary fund, I should like to make quite clear that what has been achieved is an agreement among experts. No government is in any way committed to this document or to the views of its experts. The statement is made public at this time in order that there may be public knowledge of the progress which has been made and informed discussion of the proposals before governments proceed further.

This statement of principles on international monetary relationships is conceived as part of a general plan of international economic cooperation, which as a whole will have for its objects the progressive expansion of international trade, high levels of employment, improved standards of living, reasonable stability of prices and machinery for orderly exchange arrangements. The Canadian government is thoroughly aware of the importance of establishing international monetary arrangements favourable to the expansion of trade and employment, and is keenly sympathetic with the particular objects to which this statement of principles is directed. It is equally anxious that common views should be reached on other parts also of a general plan of international economic cooperation, particularly on a reduction in the barriers to trade expansion, a reduction vital to Canada's welfare and necessary if conditions favourable to stable monetary arrangements are to be achieved. The view which will ultimately be taken by the Canadian government of any proposed monetary arrangements will be greatly, perhaps decisively, influenced by the progress which it is possible to make in achieving agreement on other aspects of international economic policy with which monetary arrangements are inseparably linked.

Mr. QUELCH: Can the Prime Minister say whether or not a day will be set aside for the discussion of the international monetary proposals before any commitment is made?

Mr. MACKENZIE KING: I cannot make any promises at the moment.

INTERNATIONAL LAW

STATUS OF CLAIMS BY CANADIANS AGAINST UNITED STATES GOVERNMENT AGENCIES

Right Hon. W. L. MACKENZIE KING (Prime Minister): Yesterday the hon. member for York-Sunbury (Mr. Hanson) referred to the question of claims by Canadian nationals against agencies of the United States government. As the hon. member has pointed out, it is a well settled rule of international law that a foreign government cannot be sued in a local court without its consent. This principle covers, of course, all instrumentalities and agencies of the foreign government. It is a long established practice, both in the United Kingdom and in this country, for the attorney general to intervene when suit is brought against a foreign state, in order to establish the immunity of the foreign government.

In the case to which the hon. member for York-Sunbury has referred, suit was brought against the United States public roads administration. The United States government brought to our attention the fact that the public roads administration is not a private corporation but is simply a branch of the United States government, and therefore identical with the government with regard to the principle of immunity. Accordingly, the Minister of Justice (Mr. St. Laurent), appointed counsel to intervene, in order to have the suit set aside in accordance with the principle I have referred to. The claimant in cases such as this is not without remedy. If a just claim against an agency of a foreign state remains unpaid, the proper course is for the local government to bring the matter to the attention of the foreign government through diplomatic channels, with a view to having the claim settled.

In the particular case referred to by the hon. member, there appears to have been no clear refusal to pay by the public roads administration, but rather a difference of opinion as to the exact amount owed. While the matter is in negotiation between the company and the United States government agency and until the Canadian government has completed documentation on the case in order to be sure that the claim is legitimate, it would be improper for the Canadian government to bring the matter to the attention of the United States government. The Canadian company has been advised that if a clear case of refusal to pay on legitimate contracts is established, the matter will be brought to the attention of the United States government through diplomatic channels.

HOUSING

EVICTIONS ON MAY 1 NEXT

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): Mr. Speaker, I have an inquiry to direct to the Prime Minister. On Monday last I directed an inquiry to the parliamentary assistant to the Minister of Finance with respect to the acute rental and housing situation in Canada, to which I received the answer that he had nothing further to add to the previous statement he had made to the house on March 27. I would not raise the question again were it not for the extreme urgency surrounding it. Cases of hardship appear to be multiplying, and in some instances they involve the wives and families of our fighting men overseas. Because of the acute situation which has arisen, and in view of the fact that more than one department is involved, I am asking the Prime Minister if he will indicate what steps the administration is taking to meet this problem.

Before he answers may I say that the hon. member for Broadview (Mr. Church) only a few moments ago brought to my attention a more detailed suggestion with respect to relieving the situation. I would link the two together in my question to the Prime Minister.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I was not aware my hon. friend was going to ask this question. I understand he sent a copy to my office, but I came into the house rather hurriedly and had no chance to see it. I would say, however, that even had I seen it I should have replied to the effect that I have nothing to add to the statement made by the parliamentary assistant to the Minister of Finance. It was a statement of government policy, and it stands as such.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, may I call attention of the house to the insufficiency of a return tabled two days before the Easter recess on Toronto housing, and dealing with the same subject. It showed that there were no war-time houses built there at all during this war, and that only $50,000 had been spent on the conversion of eight properties, or thirty-four units there. I suggest an amendment to the return; it would involve only three or four sentences. May I ask the house to be good enough in this emergency to allow me to read this, so that I may have an answer to my question on Monday.

In the first place, there was a considerable amount of property which the city of Toronto gave the government gratis for the duration. I may say the city and the government have

been working together in the matter. I would suggest that the old Havergal college on Jarvis street, in which about 350 of the women's army were housed, might be used. They are moving out on April 30th, and should before that to make it available.

Then, the second property, an R.C.A.F. equipment depot, is on the waterfront; seven of these sheds could be given as an emergency, and there are some buildings in the exhibition grounds which could be used temporarily.

Then, there is a lack of motor trucks until May 1 to move some of these poor people away. Surely the military authorities could provide a few trucks. There are the equipment buildings I refer to on the waterfront, and some harbour property. I would suggest that three or four of these buildings might be made available so that these people might have a place in which to store their goods. At the present time they have not sufficient storage space. Further, I would suggest the loan of some military construction and housing staff of the forces to erect temporary buildings, or portable emergency houses.

I am asking that this housing matter be considered over the week-end, because it is serious.

QUESTION OF EXTENSION TO WINNIPEG OF HOUSE CONVERSION PLAN

On the orders of the day:

Mr. S. H. KNOWLES (Winnipeg North Centre): On Tuesday of this week I asked a question with respect to the government's house conversion plan. I did so on behalf of the Winnipeg city council. The parliamentary assistant to the Minister of Finance (Mr. Abbott) indicated that he would endeavour to make a reply on Thursday. I was telephoned yesterday morning from the Department of Finance and told that in view of the absence of the parliamentary assistant from Ottawa he would not be able to make this reply on that day. However, I had hoped that the reply would be made to-day. Can the Minister of Finance indicate whether an answer is ready? My question was:

Is consideration being given to extending to Winnipeg the benefits of this plan?

Hon. J. L. ILSLEY (Minister of Finance): I looked into the matter to which the hon. member refers and I found that the city council of Winnipeg made an application some months ago for the extension of the housing conversion plan to that ctiy. The hon. gentleman perhaps realizes that many cities have applied for the extension of this plan to them, and every application has to be considered carefully. The machinery set up for the consideration of these questions is in the form of a committee called the housing coordinating committee, and I believe this matter has received some consideration by that committee. It has not yet been decided to extend the housing conversion plan to the city of Winnipeg, but the matter is under consideration by the committee, according to my understanding of the situation.

Mr. KNOWLES: Unless a reply has gone forward in the last few days, no reply to the application made last October has been received by the Winnipeg city council. If the minister finds that to be so, will he endeavour to see that the communication is answered right away?

Mr. ILSLEY: Yes.

LABOUR CONDITIONS

DISPUTE AT THE PLANT OF FORD MOTOR COMPANY

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): Mr. Speaker, I desire to ask a question of the parliamentary assistant to the Minister of Labour. In view of the serious threat to war production involved in the dispute between the Ford Motor Company of Canada Limited and several thousands of its employees, will the parliamentary assistant give the house full details of the present situation, and indicate what steps the government is taking so that war production may be resumed with a minimum of delay?

Mr. PAUL MARTIN (Parliamentary Assistant to the Minister of Labour): Mr. Speaker, I was not aware of the hon. member's intention to ask this question. On Friday last the Department of Labour asked one of its officers who happened to be in that section of Ontario to cancel some other engagements he had in other industrial plants, and to proceed to Windsor at once. That officer has been in Windsor since Friday morning. Last night another officer of the Department of Labour proceeded to Windsor by air to assist in doing everything possible to resolve the differences, so that a halt in production might be avoided.

May I add that the department at Ottawa is alive to the matter and is in constant association and touch with its conciliation officers. Everything is being done to bring about the objective the hon. member has in mind.

Mr. GRAYDON: Replying to the answer which has been given, may I say that I did send a notice of my question to the parliamentary assistant, and I am sorry it did not reach him in time. May I add only this, that I do not wish my remarks to be regarded as indicating that fault for the strike rests on any particular shoulders. Most strikes cannot

be regarded in that way, and I am quite sure this would be in the same category. But I believe the public would like to know how it is that these things occur in a war-time industry, under the present complicated legal and constitutional arrangements set up for this particular purpose. Can the parliamentary assistant give any information as to how this condition has arisen in the present situation?

Mr. MARTIN: I am sure my hon. friend will realize the difficulties inherent in the question. I can only repeat that the department is doing everything it can to bring about a satisfactory conclusion to the matter. Application for a hearing by both parties is now pending before the wartime labour relations board. That matter will be disposed of, I presume, on Tuesday next. I am sure that under those circumstances the leader of the opposition would not expect me to add anything more. There is a disposition to bring the matter to as speedy a conclusion as possible.

Mr. CLARENCE GILLIS (Cape Breton South): I should like to address a question to the parliamentary assistant to the Minister of Labour. The leader of the opposition has persisted in referring to the difficulty at Windsor as a strike. One of the factors involved is whether it is a strike or a lockout. There is a great difference between the two. Can the parliamentary assistant inform the house whether the department has determined whether this is a strike or a lockout within the meaning of order in council P.C. 1003?

Mr. MARTIN: The hon. gentleman has not given me any notice of his question. He will appreciate that the war-time labour relations board is the body that will determine a question of that sort. I am sure on reflection the hon. gentleman will agree that it would be wholly improper for me to pass judgment on the matter.

Mr. GILLIS: That is the reason I raised the point. I think in the House of Commons it is wrong to classify this difficulty as a strike when there are other factors involved.

Mr. MARTIN: I did not say any such thing.

Mr. GILLIS: No, but the leader of the opposition did.

Mr. GRAYDON: On a question of privilege, I know my hon. friend is very quick to take some political advantage of—

Some hon. MEMBERS: Order.

Mr. COLDWELL: Mr. Speaker, this is—

Mr. GRAYDON: I am speaking to a question of privilege.

Mr. COLDWELL: I rise to a point of order.

Mr. GRAYDON: I am speaking to a question of privilege.

Mr. SPEAKER: In speaking to a question of privilege the hon. member should not impute motives to the hon. member for Cape Breton South.

Mr. GRAYDON: If I have imputed any motives I shall be glad to withdraw them unconditionally. I am asking that motives imputed to me be withdrawn, and perhaps it would not be proper for me to impute motives while I was doing that. My question of privilege is this. If I used the word "strike"—I will accept my hon. friend's word that I did—I did so inadvertently because I recognized in looking over the news reports that that was one of the problems involved. I think I was careful in my remarks with respect to the matter at Windsor to indicate that I was only seeking information, rather than taking any stand with respect to the matter. If I did make a slip of that kind I am sure that my hon. friend will realize that he and I as well as others in the house sometimes are guilty of inadvertence. That is what this was.

Mr. GILLIS: I am not a clairvoyant, so that I do not know what the hon. member is thinking.

Mr. SPEAKER: There cannot be any argument on the matter.

BUSINESS OF THE HOUSE

CONFERENCE OF PRIME MINISTERS IN LONDON

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, as hon. members are aware, I expect to be leaving Ottawa shortly to be present at the meeting of Prime Ministers to be held in London in the near future. I have been discussing with my colleague the Minister of Mines and Resources (Mr. Crerar) the distribution which it would be desirable to make of my duties as Prime Minister, President of the Council, and Secretary of State for External Affairs. Mr. Crerar has expressed the hope that the duties of these several offices might be assigned to different members of the government. I have accordingly decided to ask him to act as President of the Council, to preside at meetings of the cabinet and of the war committee and to continue to act, as he has done for some time past, as deputy leader of the House of

Commons. I intend to ask Mr. Ralston, the Minister of National Defence, to act as Prime Minister and leader in the house, and Mr. St. Laurent, the Minister of Justice, to act as Secretary of State for External Affairs. I am sure that this arrangement will commend itself to hon. members.

CANADIAN ARMY

FARM LEAVE—HOUSING—WELCOME TO RETURNING MEN

On the orders of the day:

Hon. J. L. RALSTON (Minister of National Defence): Mr. Speaker, yesterday the hon. member for Lake Centre (Mr. Diefenbaker) referred to the matter of spring leave. He mentioned two points. One, he suggested that there was some lack of uniformity in administration and, two, that more promptness might be exercised in dealing with applications. With regard to the matter of uniformity, I should like to say what I said at the time the present method of granting spring leave was put into effect. There is bound to be a certain lack of uniformity when applications are being dealt with by the different district officers commanding instead of being sent to national defence headquarters. That method was adopted deliberately because it was felt that there would be considerable delay in having everything sent down here. There were some complaints last year in that regard, and so the new order was put into effect. I do not think hon. members or the country generally would want us to revert back to the other method whereby everything had to come to national defence headquarters. It was decided that instead of referring these applications to national defence headquarters, which might ensure uniformity, they would be referred to the general officers commanding in chief and the district officers commanding. It was felt that these officers, being on the ground and having had some experience in connection with requests for agricultural leave, would be in position to appraise the applications and deal with them more quickly. I think generally speaking that that has proved to be true.

Now, regarding the time taken to handle these applications, there were some complaints that sworn declarations were being required to substantiate particular cases. To meet that situation, instructions were sent out on April 11 to this effect:

> Complaints have been received that applicants for spring leave are required to submit with the applications supporting evidence in greater amount than might reasonably be considered necessary or of requiring such supporting evidence to be in the form of a sworn declaration.
>
> While it is not desired to restrict in any way the discretion given to G.O.'s and D.O.'s C. in satisfying themselves that applications for spring leave are meritorious, it is pointed out that no particular form of evidence is required.
>
> It will be appreciated that in many rural areas difficulties are experienced in securing declarations under oath and it is therefore suggested that except where doubt exists this should not be insisted upon especially when the supporting statements are made by responsible municipal or other officials or are those of persons of known standing in the community.

And then there was this paragraph, and this in regard to the matter of speed:

> It was intended by the order authorizing spring leave to make available all soldiers eligible under the terms of the order for this type of leave who could possibly be spared, and it is desirable in order to meet urgent labour requirements that applications be disposed of as expeditiously as possible.

I could refer the house also to what was said in the previous order, but I think that that is sufficient to indicate that headquarters are doing everything they possibly can in this respect.

I just want to say this further, that if there are any specific cases my hon. friend has in mind, and he will refer them to me, I will have them looked into immediately.

Mr. DIEFENBAKER: If I might be allowed a question—and I wish to thank the minister for his statement on a matter that is of great importance—do men of the active army who have enlisted for overseas service have the right to apply for spring leave as well as the men under N.R.M.A.?

Mr. RALSTON: It depends on what employment they are engaged in in the army. My hon. friend will find on *Hansard* at page 1641 the full statement that was made by the parliamentary assistant setting out exactly the terms on which men are granted spring leave. There are instances in which general service men are entitled to apply for leave just the same as N.R.M.A. personnel.

The hon. member for Broadview (Mr. Church) spoke of some requirements which he thought might be needed in the city of Toronto with respect to handling the housing situation there. I want to say to him that I have had no requests so far from the city of Toronto with respect to these requirements, but I understand that the city's representatives will be in Ottawa on Monday. I regret that on account of an imperative previous appointment I shall not be able to attend the conference, to which I was invited, but at the same time I am seeing to it that inquiries are

made with regard to the matters he has mentioned in so far as they affect the army, so that information will be made available.

The leader of the opposition (Mr. Graydon) asked yesterday with regard to the arrangements made by the department for the reception of members of the armed forces returning from overseas. The welcoming of our men from overseas is a very live question and we are sincerely making every effort to inform the public of their return, commensurate with security.

I indicated yesterday that the men return home either on a hospital ship or troop transport. The hospital ships carry only invalid personnel and in that case there is no question of security. The names of all such personnel are received in Canada well in advance of the arrival of the ships. Copies of these nominal rolls are then sent to each military district and others concerned, together with the names and addresses of the next of kin. In every case the next of kin are notified promptly by letter from national defence headquarters of the expected early arrival.

On the day the hospital ship docks, that information is given to the local press of the districts. Any inquiries are dealt with at district headquarters. When the hospital ship docks, the information is given to the press, and when the trains leave the port each military district is notified and kept informed periodically as to the progress of the train and the expected time of arrival at the various districts along the route. The same information is given by public relations officers who are on the train and who give press releases from time to time. Then at the districts the public relations officers assist the press with regard to details of the personnel aboard. In addition to that, in some districts radio broadcasts are given to indicate the time when the train will arrive. That is so far as the hospital ships are concerned.

With regard to troop transports, the procedure manifestly must be different. There the next of kin are not notified in advance, for security reasons. As I indicated yesterday no information can be published in the press for at least twenty-four hours after the transport docks and then the name of the ship and port of entry cannot be mentioned.

Arrangements, however, have been made whereby representatives of the telegraph companies can go on board and take telegrams from the returned soldiers to their relatives and friends advising them of their safe arrival in Canada. These telegrams are held by the postal censor until the necessary time has elapsed, and then they are dispatched to the next of kin all over Canada. That does not give information as to when the soldier is going to arrive in his home town. All that is said there is that he has arrived in Canada.

Mr. GRAYDON: Does the man have to pay for the telegram himself, or is that taken care of by the government?

Mr. RALSTON: I gave instructions that the department will pay for the telegrams.

Mr. GRAYDON: I think that would be much more satisfactory.

Mr. RALSTON: Again, as in the case of the hospital trains, the districts are kept informed periodically as to the time of arrival of the trains at the city or town where the district headquarters are located, and all assistance is given to the press there.

With regard to comforts on the trains—and this applies to both hospital and troop trains —there is a representative of a voluntary organization on the train who distributes newspapers, magazines, fruit, games, et cetera. Then other voluntary organizations from what might be called Welcome Home committees welcome the boys at the port of entry and at the larger centres through which they pass and on arrival in each military district, distributing fruit, coffee, cigarettes, et cetera. I know many cases in which arrangements are made whereby returning soldiers are transported to the homes of citizens if they have to stay over any time, particularly at divisional headquarters.

The difficulty comes with regard to the particular point raised by my hon. friend, and that is notice to the relatives in the home town as to what train the soldier is coming on and what the time of this arrival will be. Here I pause for a moment to make this explanation.

Men have to go to the district headquarters first before they go home in order that their documentation may be completed and that they may be paid, their ration books issued and a great many other details attended to. Then the man is given leave, and he is on his own. He is entitled to select the train he wants to go home on. Therefore it is manifestly very difficult in a city like Toronto for instance, where there are many attractions, to know just exactly what train the soldier will decide to go on if he is going to stay over there for a few hours. What we are doing is having the officers at the depot get from the soldier the train on which he proposes to go home. The officer gives him the time of departure of the trains which go to his particular locality, and when the

soldier indicates what train he is going on a wire is sent to his home. That I am afraid is the best that can be done. I have discussed it thoroughly with the officers and it has been considered to be about all we can do to give notice to the folks at home as to the time at which the soldier may be arriving. We have had the greatest help from the Legion in that respect. They are anxious to get the nominal rolls and we give them to them, and they assist us materially in looking after the soldier in the particular town where the district headquarters is situated. Often they see the soldier on the train and help him to give notice to those at home of the time of his arrival.

As the numbers increase, I think there will be greater opportunity for voluntary organizations to assist in this welcome. The department is giving constant and unremitting attention to every possible method whereby we can improve the cordiality, the warmth and the spontaneity of the reception given to soldiers coming home. Of course it is not in every instance that soldiers want welcoming committees at the train. Sometimes I find that towns arrange if they have a number of soldiers coming home, one on one train and others on other trains, to wait for a civic reception until everybody is there, so that they may have perhaps a somewhat more orderly and more comfortable arrangement than would be possible by simply going and meeting the men at the train.

What we are trying to do is to give the best information we can, having regard to the situation which exists, whereby the soldier himself has the right to select his train, inasmuch as he has the transportation warrant and is entitled to go on the train of his choice. That does not apply to the same extent to casualties who are still needing treatment, because so far as they are concerned they generally go to a hospital or rest home, and wait until a particular train leaves, and then they are seen to the train by military personnel.

Mr. BOUCHER: I was talking to some members of the Legion in Ottawa and they felt that some improvement could be made in notifying them rather more accurately of the times when trains will arrive. I understand it has frequently happened locally that the notice received indicates that a train will arrive in Ottawa at a certain time and when that time comes it is found that the train has not yet reached Montreal and those concerned have not been notified. I do believe that some little checking up could be done to ensure more specific and up-to-the-minute notice being given parents and others concerned in that regard.

With reference to what the minister has said regarding spring leave, I should like to ask one further question. Where farm helpers on leave are being called back to military headquarters for examination, I find locally that there has been some complaint for a considerable time about the men being detained. I believe that when the farm boy calls for examination there is some delay in examining him physically, and after that examination his plea for extension for spring leave is dealt with. I have known of several instances in which a boy very much needed at home has been kept two weeks longer for that very reason. I would ask the minister to look into this matter and see whether the process cannot be somewhat expedited.

Mr. RALSTON: I will.

CITY OF OTTAWA AGREEMENT

AUTHORIZATION OF PAYMENT OF $100,000 FOR THE YEAR ENDING JULY 1, 1944

Hon. ALPHONSE FOURNIER (Minister of Public Works) moved that the house go into committee to consider the following resolution:

Resolved, that it is expedient to introduce a measure to authorize the Minister of Public Works on behalf of His Majesty to enter into an agreement to pay to the corporation of the city of Ottawa the sum of $100,000 for the year ending July 1, 1944.

Mr. G. J. McILRAITH (Ottawa West): The grant to the city of Ottawa has come up for a number of years now in the form of an annual bill. In going back over the debates it seems clear that a great many hon. members feel that they have not sufficient information, or at any rate all the information they would like to have in order to form an opinion on this subject, and that therefore they are not able to judge the adequacy or the inadequacy of the amount granted. As representative of Ottawa West constituency, which is situate wholly within the limits of the corporation and comprises about two-thirds of the area of the corporation, I have had occasion to examine in detail all the various items that must be considered in arriving at a proper amount. As a result of that examination I have felt that the amount provided is wholly inadequate.

An unfair burden is being placed on the real property owners, the taxpayers of the city of Ottawa. In each of the last three sessions I have pointed out the inadequacy of the amount provided, and in 1942, on the second reading of the bill, I gave the house extended details of the various items and factors hav-

ing a bearing on the relationship between the city and the dominion. I take it that the matter of details as to these items is not a proper one for discussion in the resolution stage. The data up to that time will be found at page 2683 of *Hansard* for the year 1942. In addition to emphasizing the inadequacy of the amount I urged that the method of providing the sum by an annual bill was not wholly satisfactory. I urged the setting up of a special committee of the House of Commons to consider the whole matter.

There are certain relative factors entering into consideration of the matter, upon which I am sure hon. members would desire to have information. I am sure they would desire to have the matter dealt with in a way which would permit the summoning of witnesses before the committee and the production of evidence and relevant documents as they see fit. I am sure that the procedure of having an annual bill rather than a bill covering a longer period of time is not satisfactory. The city of Ottawa as the capital of the nation, is the concern and the interest of all parts of the nation. I feel confident that hon. members will look at this measure from that point of view.

The city can no longer be expected to provide services on the scale expected by the dominion, which services must come out of the taxpayers of the city. At the same time the rest of the country cannot afford to have the development of the nation's capital impaired by the inadequacy of the city's revenue. It is the desire of all Canada to have a capital developed in a manner worthy of the ideals of the nation, and I am sure that is the desire of all hon. members. Yet by permitting this annual injustice to go on from year to year we are impairing the development we all so much desire.

I quite agree with the point of view that the energies of the House of Commons must continue to be directed first and above all to the prosecution of the war, but I do suggest that we have now reached the stage in the development of the war where we can properly have regard to post-war measures and developments, and that we must look to these matters at this time. As part of this larger question of development, the city of Ottawa, the capital of Canada, must have its proper place. I therefore again urge, as I have done repeatedly in the past, and particularly in the last two sessions, the setting up of a special committee of the House of Commons to look into the whole matter. I ask that it be done at this time.

Mr. G. RUSSELL BOUCHER (Carleton): I do not wish to delay the house much longer on this matter, because for the last four years the matter has been discussed in minute detail. We are getting on in the session, and we are making plans for post-war reconstruction and development. That being so, I think it is only proper that the House of Commons, meeting here in the national capital, should realize how that capital has been disturbed, and I may say upset, by war-time economy, owing to the fact that the government has taken over a great deal of property in Ottawa and has built many temporary buildings here and there all over the city. Along with that a large number of people have come into the city of Ottawa to perform war services. All these things emphasize a little more in Ottawa than perhaps in any other place the necessity of reconstruction and reestablishment in the post-war period.

For the last four years it has been said in this house that the $100,000 grant, which has been paid year after year, is a yardstick that nobody could say was fair. That being so, the 245 members of the House of Commons have stood by and acted as rubber stamps or automatons and have not weighed the pros and cons. That does not seem to me to be proper economy. It is apparent that the people of the city of Ottawa have thought likewise, because I believe in the last year a special committee has been making research and investigation into the relationship between the city of Ottawa and the dominion government. They have been taking into consideration the services rendered by Ottawa to the dominion government and offsetting against that the advantages that accrue to the city of Ottawa by reason of parliament sitting here. The city council has taken into consideration, and will continue to do so, the advantages that accrue to Ottawa by reason of its being the capital city of Canada. They are proud to look upon Ottawa as the capital city. I think it is only fair at this particular time, and in view of post-war reconstruction, that we should direct our attention to a proper arrangement between the dominion of Canada and the city of Ottawa with the view of building in Ottawa a capital that is worthy of the pride of the nation.

I noticed in the press recently—and I hope the Prime Minister is entirely in agreement with my sentiments in this regard—that the Prime Minister and the mayor of the city of Ottawa had a conference some time ago. I hope they have come to some conclusion that will bring a little better arrangement for the city of Ottawa. This parliament should make an arrangement with Ottawa not measured by an arbitrary sum of $100,000, but some-

thing that will go a long way to meet the services that are given by the city to the government. I hope to see an investigation made by a committee, which will go into all the facts and circumstances, and will bring into this house a thorough and fair explanation of the relationship between the government and the city, and that as a result the members of this house will see that justice is done.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The hon. member who has just taken his seat has referred to an interview which His Worship the Mayor had with me recently. Perhaps I should place on record the communication that came from His Worship a little earlier in the month and my reply thereto. I received the following communication some days ago:

Office of the Mayor
Ottawa,
4th April, 1944.

Rt. Hon. W. L. Mackenzie King, P.C.,
Prime Minister of Canada,
Ottawa.

Dear Mr. Prime Minister:

The following motion was unanimously adopted by our city council last night at its regular meeting:

"That His Worship the Mayor of Ottawa, be, and hereby is, authorized by council to request the Right Honourable the Prime Minister to appoint a committee representative of the federal government and parliament of Canada to meet in conference with a committee of council to be appointed by His Worship the Mayor, for the purpose of discussing the relationship and financial agreements existing between the Dominion of Canada and the municipal corporation of the city of Ottawa, with a view to formulating and recommending a revised agreement which will be mutually equitable as between the Dominion of Canada and the city of Ottawa."

On behalf of city council I beg to urge, Mr. Prime Minister, that the government take action immediately to set up a committee so that the whole matter may be gone into during this present session of parliament. We are prepared to meet with a government committee at once.

Sincerely yours,
S. Lewis,
Mayor.

I replied to that communication as follows:

Office of the Prime Minister
Canada
Ottawa, April 4, 1944.

His Worship,
Mayor Stanley Lewis,
Ottawa, Ontario.

My dear Mr. Mayor:

I wish to acknowledge your letter of to-day's date, setting out a motion adopted at last night's regular meeting of the city council, with regard to a conference between a committee of the city council and members of the government of Canada.

The city council's request will be brought before the cabinet at an early meeting, in order that arrangements may be made for a meeting with the city representatives for the discussion of the relationship between the municipal corporation and the government. Thereafter, I shall be glad to see that arrangements are made, through your office, for a mutually convenient time for the meeting.

Yours sincerely,
W. L. Mackenzie King.

On Tuesday last, the 18th, I had a brief interview in my office with His Worship the Mayor, at which time, among other reasons mentioned by His Worship for the meeting referred to, was that he and the members of the city council have the responsibility of the future development of Ottawa as a city. His Worship spoke of the greater Ottawa as a city. The council feel that it would be of assistance to them if they knew in a more definite way than is possible at present what the future relations between the government and the city in connection with financial and other matters are likely to be. I mentioned to His Worship that the government felt, of course, a special interest in the development of a greater Ottawa as the capital of Canada, and that we too were very much concerned that the development made in the creation of a greater city should be such as would take into full account the future of Ottawa as the capital of Canada.

I subsequently drew the representations of the mayor to the attention of my colleagues in the cabinet. We discussed the matter fully; and it was thought that, instead of a meeting of the government with the mayor and his colleagues, it would be preferable to have a committee of this house, or a joint committee of both houses, meet with the mayor and his colleagues and have them go carefully into the whole question of the relations of the city and the government, allowing the council to make its own representations to the committee, and the committee to gather such information as would be helpful to the government in reaching a decision on financial and other matters which it would be necessary to make. As it is uncertain how long the work of a committee may take, what the extent of the representations may be, and as it is obviously desirable that the city should be immediately secured in the matter of an agreement between the corporation and the government, it was thought both by the mayor and myself that it would be advisable that a bill based on the resolution which appears on the order paper should be proceeded with by both houses forthwith, but that if passed it should be without prejudice to any action which the government might wish to take as a result of the representations which might be considered

between the city officials and the parliamentary representatives appointed on a committee to meet them.

My hon. friend the member for Ottawa West (Mr. McIlraith), who has spoken, suggested a committee of the members of the House of Commons. He has done so before. I am not sure that it might not be advisable to have a committee representative of both houses of parliament. One advantage of such a committee would be that it would enable hon. members from other parts of Canada to appreciate some of the considerations of which the corporation of Ottawa has to take account as a consequence of Ottawa being the capital of Canada. It would, too, I believe, be regarded throughout the country as helpful to have the views, not merely of the government and the council, both of which are located in Ottawa, but to have as well that larger and possibly more impartial consideration which might be expected to be given by representatives of both houses of this parliament, from all parts of Canada, meeting with the mayor and his officials. Both the city officials and the government would bring before such a committee their own experts and officials, presenting all aspects of the relationship between the two which it might be desirable to have taken into account.

I do not know how many years it is that a measure similar to the one foreshadowed in the resolution has been passed.

Mr. BOUCHER: Since 1928.

Mr. MACKENZIE KING: Yes. Well, since 1928 there have been a good many changes in this city, and for that reason among others it would seem advisable that the whole situation should be carefully reviewed in the interests alike of the government and of the city. It has been understood that this measure would be regarded as a temporary one. I remember some years ago giving an undertaking to the city that the situation would be carefully reviewed, and that review, it would now appear, might well take place in the manner suggested.

Mr. GRAYDON: May I point out to the Prime Minister that in any event it is only for the period ending July 1, 1944.

Mr. MACKENZIE KING: This measure?

Mr. GRAYDON: Yes; it is just for one year.

Mr. MACKENZIE KING: Just until July 1.

Mr. GRAYDON: Of the present year.

Mr. MACKENZIE KING: The future situation can be taken care of either as has been done in the past or as modified as a result of the conference.

I just wish to say that the government is wholly sympathetic to the idea of appointing a committee of both houses of parliament to meet with His Worship the mayor and his officials, and a resolution to that effect will be brought before the house for its consideration at an early opportunity.

I should like to take advantage of this moment to say just a word in regard to the future of Ottawa. I have spoken on this subject a number of times, and some years ago I made the suggestion, which others have also made, that some day the capital of Canada might become a federal district to be administered by a commission, in a manner similar to the capital at Washington. I am not putting this forward as anything which should be done immediately. It is a matter which will require a great deal of consideration. But I feel that just now, if there is to be any immediate consideration of the planning of greater Ottawa as a city or as a capital, that planning ought to have in mind all possibilities of the development of this capital. I have often hoped that if the capital were to become a federal district, that district would extend far enough to include a very large area on the other side of the river as well as the Ottawa area. I would like to see—I may not live to see it but I hope others may—the day when the Ottawa river, instead of flowing along the north border of the capital, will be flowing through the heart of the city, the greater Ottawa that is to be, and that we shall have a capital city which will extend as far into the province on the other side of the Ottawa river as it may extend in the province on this side. I do not think that is a vision of future needs or of future greatness by any means too broad or too large. We have seen in recent years how rapidly this city has grown. We may well expect to see a capital city of Canada of dimensions beyond anything we are likely to contemplate at this time.

I have one other thought in mind to which I should like to give expression, and it is this. The sacrifices of the men and women of Canada who served in the last war have been memorialized by a national war memorial in the heart of this city. It would be difficult, if not impossible, to create another memorial which could pay due tribute to the service and sacrifice of those men and women of Canada who will have served in the present world

conflict. What finer memorial could there be than a capital city which would serve as a model of community planning for all the other cities of Canada, and which would be symbolic of the world-wide effort of Canada in the present war, and the significant place we hope our country will occupy in the world of the future—a national capital which would be not only the pride of Canadians but also an object lesson to other cities and to other countries? The national war memorial of the last war is in the heart of Ottawa. Might not the national memorial of the present war find noble expression, carefully planned, in a federal district as the site of the Canadian capital, through the heart of which would flow the Ottawa river.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I should not like to say one word which would reflect upon the proposed agreement, one which has always been so near and dear to the heart of the Prime Minister (Mr. Mackenzie King), who is one of the leading citizens of the city. But the measure is based upon what is known as a subvention given in exchange for services.

I have read that 18,000 people have come to Ottawa since the beginning of the war, and by this addition to the normal population the burdens of the community have been increased. Buildings have been torn down, and by that means the municipality has been affected. I must point out however that something on the same principle as this vote should be done for other large centres of population in Canada which are giving almost the same type of municipal services to the government, but receive nothing for those services. I have in mind fire protection, police protection and many other forms of municipal aid, including the construction of sewers, pavements and roads.

Up to a few years ago the Ontario government did not pay for those local improvements. However at that time Sir James Whitney introduced a measure by which the government was obligated to pay for local improvements, the same as would any other private citizen in the community. It is true that the ctiy of Ottawa has given splendid service, but I must point out that something should be done for the larger centres of population, the provincial capitals also, throughout Canada. The Ottawa improvement scheme is nearly all federal, but it has some local features in that it provides parks, playgrounds and the like for the rising generation. In other cities those services are provided exclusively by the municipalities.

All the people in the city from which I come are admirers of Ottawa. We wish to see the capital of Canada properly looked after in every way, and in a way befitting its importance as the capital of Canada. However an investigation was made a few years ago by the Australian and United States governments on the very principle of this agreement, namely, with respect to the subventions which should be paid by federal, provincial or state governments. For example, one of the states of the Australian commonwealth gave $2,500,000 a year to maintain a police force in Sydney. A similar procedure has been adopted in many of the states across the border in the United States of America. In most cases police and fire protection are given, and in some instances cash grants are allowed in exchange for services rendered the various governments. In my view the same principle should be applied to those larger cities in Canada which are giving similar services to the federal government. If one were to survey the budgets of municipal departments of many communities he would find that two or three mills on civic tax rates of those communities could be traced to assuming a federal burden. That is imposed by federal statute law on the municipalities, and they in turn must transfer it to the taxpayers. This practice has had a deteriorating effect in respect of the ownership of real estate—so much so, in fact, that many people do not want to own real property, with such federal taxes placed upon them.

I am hoping that within the next short while Ottawa may have a better system of accommodation for the public. We have here a federal government and a municipal or local government. Something should be done to improve the accommodation available for visitors, members of the public who come to Ottawa from other parts of Canada, from the United States and other parts of the world. These people are sometimes driven away because they cannot find housing accommodation or a place to stay while they are here.

I would hope, too, that there might be some improvement in the train service offered at the Union station. I have come to the point where I consider the conditions there at times a death-trap. Almost every day one train is coming in while another is going out, and at the same time hundreds of people are jammed in between those two trains in a space of only twelve or fourteen feet in width. Surely something should be done about those depot facilities.

I hope the day is not far distant when the federal government will be a little more liberal toward the municipalities of Canada, so that subventions may be given to provincial capitals and other cities which are giving the very

same kind of service, at the expense of the local taxpayers, as is the city of Ottawa, and are getting nothing.

Mr. THOMAS REID (New Westminster): Mr. Speaker, with what has been said this afternoon regarding the city of Ottawa I believe all hon. members will agree. The question as to the relationship existing between the federal government on the one hand and the city council and the people of Ottawa on the other is one which is discussed in the house year after year. Every member realizes of course how beautiful this city is. I could not help thinking, however, when the hon. member for Ottawa West (Mr. McIlraith) was speaking that perhaps it is not fully understood that only a small percentage of people in Canada ever have the opportunity to see their capital city.

In his speech the Prime Minister (Mr. Mackenzie King) visualized the great growth we may expect to see in Ottawa, and he pointed out how in later years the city of Hull might be included in the federal area. I wish that the vision had been broader when the capital was located at this point, because I am sure that in those days if the fathers had realized the great extent of this country the capital of the dominion might well have been placed farther west. I say that because one must realize that while there is only a distance of a thousand miles from this point to the east coast, there are three thousand miles to the west coast. The result is that the capital city is not placed in the centre of Canada; rather it is more to the east.

While I have every sympathy with the people of Ottawa and realize that they may have been at times dealt with unjustly in the matter of finance, I cannot come to any conclusion other than that Ottawa holds an advantage over other cities in which the government has appropriated properties. The advantage is that Ottawa has a permanent civil service which is not found in any other city of Canada. I am pleased indeed that this year a committee is to be set up, but I for one would like to see its powers go beyond Ottawa. I say that because we find in this measure the principle outlined only a few moments ago by the hon. member for Broadview (Mr. Church). There are cities in Canada where as much as three-quarters of the entire territory has been appropriated by or taken over by the dominion government, and where no return has been given whatsoever. The war has accelerated this condition. I have in mind one small district in British Columbia where over one-third of the territory has been taken over by the government for war purposes, and the land taken off the tax rolls. I am not referring at this moment to the appropriation for the city of Ottawa, which I think we all agree is not adequate. I rise merely to point out that I should like to see the whole principle involved in this resolution investigated in detail. I should like to see a commission set up to consider the whole problem, which extends from one end of Canada to the other. I do not know whether there are other districts in Canada where the same condition exists as exists in certain districts in British Columbia where three-quarters of the area has been taken over by the dominion and provincial governments. No property taxes are paid on this property. I join with other hon. members who have contended that proper consideration should be given to the city of Ottawa.

Mr. R. W. MAYHEW (Victoria, B.C.): Mr. Speaker, I cannot let this occasion go by without saying a word or two. I am not opposing this grant of $100,000 to be made to the city of Ottawa, nor am I opposing the setting up of a committee to consider the future relations of Ottawa with the government. However, as the last speaker (Mr. Reid) has mentioned, there are other districts in Canada which are just as badly off so far as tax exemptions are concerned, and yet they receive no consideration from the government. The naval dockyard is located in the township of Esquimalt. This small municipality has a population of about 4,000, and yet sixty per cent of the area is owned by the federal government. We have been unable to get even a small grant to cover the upkeep of roads and sidewalks. Unless something is done, this municipality will find itself in a very embarrassing position.

It is some time since the government decided that crown property would be exempt from taxation. At that time there was no doubt about what was in the minds of the people. It was thought that a post office would be located in each municipality, and customs houses in certain other places. These facilities, however, were to serve only the needs of the particular district. But since that time the government has gone a long way. We now find services which are national in character set up in many districts, and I maintain that when that is done there should be some grant paid by the national government to cover upkeep. Where the services supplied by the federal government are of a purely local character, they should be exempt from taxation.

The time has long passed when this whole question should have been reconsidered. Many of these municipalities will have to be given assistance if they are to keep out of difficulty. At the present time there is a shortage of

many thousands of houses in Canada. This condition has been created largely by ourselves. We now propose to cure it by building more houses. So much taxation is being placed upon property that no one wants to own land or build a house. It has been said, and I think quite rightly, that only a fool builds a house, while the wise man lives in it. As I say, where the service maintained by the government is national in character some contribution should be made to the municipality to help it to carry on. I think a committee should be set up to investigate the whole problem of tax exemption on crown property.

Mr. W. F. KUHL (Jasper-Edson): Mr. Speaker, I believe the hon. member for Ottawa West (Mr. McIlraith) and the hon. member for Carleton (Mr. Boucher) are justified in suggesting that the taxpayers of Ottawa should not be expected to keep up appearances in harmony with the dignity which a capital city should have. I agree with them that a more equitable arrangement should be made to relieve the taxpayers of that responsibility. I agree also when they suggest that this is a responsibility of all the people of Canada, not just the taxpayers of Ottawa.

When it comes to considering the best method of overcoming this difficulty we must consider a number of things. Since I came to Ottawa I have spent a considerable amount of time in studying the subject mentioned this afternoon by the Prime Minister (Mr. Mackenzie King), and I agree heartily with his suggestion that the proper method of obviating the necessity for such a measure as we are considering to-day is the creation of a federal district. But that would remove just one of the many anomalies which now exist in our constitutional position. My contention is that these anomalies should be removed in a systematic and proper fashion. These things cannot be done in a piecemeal or patchwork way; they should be done by adopting a well organized national policy.

In times past I have made several speeches in this house indicating what I considered to be the constitutional position of Canada and the manner in which I think it should be changed and brought up to date to harmonize with our constitutional status. The creation of a federal district is one of the things that should be done to remove one of the anomalies which exist. Perhaps I would not be in order this afternooon in discussing some of the other anomalies, but I should like to mention a few which I think ought to be removed.

There is the matter of the constitution itself. We refer to the British North America Act as our federal constitution. I have contended in times past that the British North America Act never was and is not now a proper constitution. It certainly cannot be called a federal constitution.

Allied with that is the manner of amending the constitution. In a federal union proper the states or provinces comprising that union should have the privilege and the power to amend their own constitution. That is still not the case in Canada.

Then there is the matter of the ratification of the constitution. The British North America Act was never ratified by the people of Canada. A federal constitution proper must be ratified.

Under our constitution there is still the power of disallowance which is an anomaly that must be removed and should not exist in a democratic country.

There is also the question of citizenship status in Canada. There is on our statute book no statute which makes provision for the status of a Canadian as such. We have also had raised from time to time the question of having a distinctive flag for Canada, and finally there is the matter of a federal district.

These are some of the many anomalies that ought to be removed. But personally I do not consider that tackling them one at a time is the proper way to do it. I feel, as I have stated in times past, that the Canadian people since 1931, through the enactment of the statute of Westminster, have had the privilege of removing all these anomalies by creating a proper federal constitution and establishing a federal district.

In concluding my remarks I should like to place on the record a statement of the policy of the group and movement with which I am associated. It is as follows:

Whereas the Statute of Westminster, in granting complete sovereignty and equality with Great Britain to Canada and other nations of the British commonwealth, has changed the relative positions of the provincial and federal governments as provided in the B.N.A. Act; and

Whereas it is desirable and expedient in the interests of national unity that an interprovincial conference of appropriate representatives of the Canadian provinces be held for the purpose of reviewing and adjusting the constitutional relationship as between the provinces and their central government with a view to providing effective democratic government in Canada:

Therefore be it resolved that without in any way prejudicing or jeopardizing the rights and privileges of any minority group in Canada, a comprehensive conference of representatives of the provinces be held for the purpose of considering:

1. The existing legislative and administrative organization in the provincial and federal spheres.

2. A more expedient allocation of powers as between the provincial and federal authorities.

3. Ways and means of facilitating the drafting, the adoption and the implementation of a Canadian constitution in keeping with the rights granted in the Statute of Westminster.

I submit, Mr. Speaker, that if such a policy were adopted the bill which we are now considering and matters allied to it would never again arise. Personally I feel that that is the only sound and proper way of dealing with this anomaly as well as with all others that obtain under our present constitutional position.

Motion agreed to, and the house went into committee, Mr. Bradette in the chair.

Resolution reported, read the second time and concurred in. Mr. Fournier (Hull) thereupon moved for leave to introduce Bill No. 87, to authorize an agreement between His Majesty the King and the corporation of the city of Ottawa.

Motion agreed to and bill read the first time.

Mr. FOURNIER (Hull) moved the second reading of the bill.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Bradette in the chair.

On section 1—Agreement with city of Ottawa extended for one year.

Mr. KNOWLES: Are copies of this bill available, Mr. Chairman?

Mr. FOURNIER (Hull): We have sent for a copy.

Section agreed to.

Bill reported.

Mr. FOURNIER (Hull) moved the third reading of the bill.

Mr. GORDON GRAYDON (Leader of the Opposition): Mr. Speaker, quite consistently, and without malice at all with respect to this matter, let me say that I have always insisted that a copy of a bill must be before us before it passes through this house. I think the minister will see the position in which we would be if we were not to stand up and maintain our rights in this matter. I have no desire to hold up this bill in any way. I think it is one which we all want to see go through as quickly as possible, and I hope I shall not be misunderstood when I ask that this bill be not now read a third time until we have a copy of it before us. I have no objection to our coming back to this bill and giving it a third reading once we have a copy of the bill in our hands, proceeding with some other item of business in the meantime. But to protect the position which we have consistently taken during many sessions in this house we must insist on having a copy of the bill before us before it is given a third reading. Otherwise we shall be subjected, and properly so, to a good deal of criticism for laxity. I am not singling out this particular piece of legislation. I am taking the stand I have taken on several occasions before with respect to other legislation coming before us and will do so again, and I caution the government now to have their bills ready so that they can be put through their stages properly in this house. As I said I shall be very glad to see the bill get its third reading after we have passed some other item of business if a copy of the bill is before us.

Hon. T. A. CRERAR (Minister of Mines and Resources): With the point raised by my hon. friend I have no quarrel at all. The bill, I take it, will be practically in the same form as the resolution. It is a very simple matter, the giving of a grant to the city of Ottawa, but if my hon. friend so desires we are prepared to let it stand. We thought we might dispose of it, however, since there are no new phases of the measure that will be revealed when the bill is before the house.

Mr. GRAYDON: May I ask why the bill is not before the house when we are asked to give three readings.

Mr. CRERAR: At the moment I am unable to give my hon. friend the information.

Mr. GRAYDON: The responsibility for the delay in this matter certainly cannot, by the greatest stretch of the imagination, be regarded as resting on our shoulders. The government should have the bill here if they are anxious to make the grant to the city. I am anxious that it should go through as quickly as possible, but the government is the obstacle.

Mr. FOURNIER: At the next sitting.

UNITED NATIONS

RELIEF AND REHABILITATION ADMINISTRATION—IMPLEMENTATION OF AGREEMENT OF NOVEMBER 9, 1943

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved the third reading of bill No. 84, for carrying into effect the agreement for united nations relief and rehabilitation administration between Canada and certain other nations and authorities.

Mr. GORDON GRAYDON (Leader of the Opposition): I realize that there is no desire on the part of the house to debate further at any length the bill which is now before us for third reading. There were two points which I wished to make, and I have now been afforded that opportunity by the motion for third reading.

I would refer the house to that portion of the schedule known as article I, paragraph (c) of section 2, and I should like to read particularly that part in which I am interested at the moment, and that is in connection with the purposes and functions of the administration. I quote:

> To study, formulate and recommend for individual or joint action by any or all of the member governments measures with respect to such related matters, arising out of its experience in planning and performing the work of relief and rehabilitation, as may be proposed by any of the member governments.

My sole reason for raising this point at the moment is that this schedule constitutes the agreement which has already been signed at Washington by a number of nations; and this nation did not see fit, by reason of its government's policy, to wait for ratification before the signing of the agreement. A number of other nations did this, but in its wisdom or otherwise Canada saw the matter in a different light.

Although the agreement has been signed and perhaps, as some members have said, matters cannot be remedied, I do not think this procedure should be allowed to pass without a protest on my part, and I would draw to the attention of the government the implications which are patent in the particular part of the schedule that I have mentioned. So far as this nation is concerned, and this government as well, we have actually signed the agreement with a number of other important nations, and we may find ourselves perhaps in a position which is not now contemplated, since we have agreed to study, to formulate and to recommend for individual or joint action by any or all of the member governments measures with respect to "such related matters". It is not just relief, not merely the provision of supplies, but matters related to the provision of relief and of supplies. The interpretation is pretty loose and that may perhaps lead us into positions not contemplated by the resolution when brought up.

I would caution the government, because I believe that this particular section may be fraught with dangers which have not been indicated and which apparently have not come to the attention of the government. I envisage this, that under this section it might be possible that in some of the smaller countries in Europe relief and rehabilitation will become necessary as conquest has actually been achieved and the nations freed, and, after the relief and rehabilitation programme had been under way for some time, certain experience in planning and performing the work of relief and rehabilitation, as mentioned, might be used as a means of going farther. How much farther we do not know, and having regard to the circumstances, I think there should be at least some limiting clause with respect to the length to which these nations banded together are going to go in matters further than relief and rehabilitation provisions.

I would point out by way of warning and caution that this nation, by signing the agreement and particularly by adhering to this section, may conceivably be adopting in the international field a policy that may go much farther and into much more perilous and dangerous undertakings than those contemplated by the government, or evidently by those who have become signatories to the agreement. With that I rest my case at the moment.

The other point I wish to make is this. It is not sufficient for this nation simply to propose plans for what it is going to do for other countries. This nation has to do more under UNRRA than that, and the one weakness of our position in relation to UNRRA, as I see it, is the fact that Canada failed last year actually to plan for its food supply. That was a matter that came before this house on several occasions. The suggestion was made time after time, not merely from this side of the house but in other quarters as well, that there should be plans with regard to food in Canada. The suggestion was made that there should be a food minister and that plans and schemes should be on foot for the provision of supplies not only for the war but for the days of the rehabilitated peace-time period.

I think it can be properly said that we are entering into this UNRRA agreement completely unprepared to play our part with respect to food supply. I am not going to mention the reasons to-day. I am not catechizing the government farther on that point, but at a more suitable time I think the government, through the appropriate minister, must answer certain questions with respect to the manner in which we are prepared to do something in support of the paper writing into which we have entered as one nation in the international field. Food is one thing for which we have not planned very well in war. We have had surpluses of one thing and we have had deficiencies of another. Our food supply has been a serious question. If the war ends unexpectedly, where is the surplus except for perhaps one or two staple lines? Where is the surplus we are to use under the terms of the UNRRA agreement? It is one thing to sign an agreement and it is another thing to provide the things that we are prepared to provide under it. This country must solve the inevitable problem, and that is why I think we must have a food policy and a food

plan, not only for the remainder of the war but for those days envisaged and contemplated by the agreement in question.

I rose to protest, first of all, against one of the provisions in the agreement, and, second, to protest against the lack of a plan to provide the necessary materials and food supplies contemplated in the agreement in the time in which it will operate. I am hopeful that the government will heed some of the suggestions that are being made in this regard. The suggestions are made honestly, because I have great fear as to what our position is to be with respect to this agreement unless the government simultaneously, collaterally and concurrently have a proper internal and domestic plan at home by which we can fulfil the terms of the agreement into which we have entered with other nations of the world.

Mr. BRUCE McNEVIN (Victoria, Ont.): I am surprised by some of the remarks of the leader of the opposition (Mr. Graydon). He now states that there should have been a minister of food. I think it was only yesterday or the day before he took the Prime Minister (Mr. Mackenzie King) to task for suggesting some new departments headed by a minister.

Mr. GRAYDON: Do not misrepresent me, now.

Mr. McNEVIN: That is as I understood it.

Mr. GRAYDON: The food minister was to be under the Minister of Agriculture. My hon. friend knows that. There was no new ministry to be set up.

Mr. McNEVIN: My hon. friend said a minister of food.

Mr. GRAYDON: Quite; my hon. friend listened to the debate last session, and surely he should have known that.

Mr. McNEVIN: I am listening to it this session. The leader of the opposition said a minister of food.

Mr. GRAYDON: Do not misinterpret.

Mr. McNEVIN: I take issue with the statement that the food production plan of the Dominion of Canada has not been given leadership or has not been a definite plan. When we compare the production figures of 1938 with 1943 and take into consideration the fact that for the latter period there are at least twenty-five per cent fewer people engaged in the production of food products and that we had in 1943 a forty per cent increase in the total amount of food produced over the figure for 1938, I think that definitely establishes the fact that the food production plan of the Dominion of Canada was well directed and well guided; and, in addition to that, that the farmers of Canada responded magnificently to that leadership and to the direction that was given. For that guidance the Minister of Agriculture (Mr. Gardiner) must be given the major portion of the credit.

Mr. GRAYDON: The farmers responded in spite of the leadership.

Hon. T. A. CRERAR (Minister of Mines and Resources): I should like to say just a word concerning the remarks made by the leader of the opposition (Mr. Graydon). I take it that the first point he raised was in regard to paragraph (c) of section 2 of article I. I do not attach to the language of that paragraph the implications which my hon. friend endeavoured to read into it. After all, paragraph (c) provides that the council or the administration may—

. . . study, formulate and recommend for individual or joint action by any or all of the member governments measures with respect to such related matters.

All they do is to study, formulate and make recommendations.

Mr. GRAYDON: No; read farther.

Mr. CRERAR: Yes.

Such proposals—

That is, such recommendations or formulations as they make.

—shall be studied and recommendations formulated if the proposals are supported by a vote of the council, and the recommendations shall be referred to any or all of the member governments for individual or joint action—

Mr. GRAYDON: That is the point.

Mr. CRERAR:

—if approved by unanimous vote of the central committee and by vote of the council.

My hon. friend states that this will bind the member governments. I do not put that construction upon it. I am free to say that I have not given perhaps as close study to it as my hon. friend has done; but I do not think there is any commitment there that would bind this government or any other government to any fantastic or impossible proposition.

On the second point I wish simply to supplement what the hon. member for Victoria, Ontario (Mr. McNevin) has said. I think the leader of the opposition was a bit wide of the mark in his criticism of the administration for lack of a food policy. His suggestion that something in the nature of a food ministry should be set up was covered by the hon. member for Victoria, Ontario. As a matter of fact, the Minister of Agriculture

(Mr. Gardiner) and the Department of Agriculture have, since the outbreak of the war, been mainly concerned with an increase in the production of foodstuffs in this country. And with what results? We undertook to supply Britain with vast quantities of bacon and pork products. As I recall it, in the year prior to the outbreak of the war, our shipments to the United Kingdom were something on the order of 140,000,000 pounds. Last year they were over 600,000,000 pounds. Does my hon. friend claim that there was a lack of planning, a lack of energy and a lack of effort in a few short years in securing this tremendous increase?

At the present time and for some time past I understand substantial shipments of beef as well as dairy products have been going to Great Britain. How has this been achieved? Is it the result of a hit-or-miss method, of a haphazard plan or a lack of plan that my hon. friend, the leader of the opposition, described it to be? Not at all. It is the result of organized effort and planning in the production of those food crops. Cheese, one of the most concentrated of foodstuffs, has been sent to Great Britain in far greater quantities in the last few years than was ever sent before the outbreak of war. We have sent milk products of one kind and another, powdered milk and concentrated milk. These were the commodities that the people of Great Britain wished to have and we have produced them. We have done that without placing any undue hardship upon the people of our own country. No one in this house will presume to say that the government in its policy has been niggardly in supplying meats, dairy products—milk, particularly for children—to the people of this country.

Cereal production is also subject to weather conditions, over which, unfortunately, the government has no control, but for which some people would like to blame the government, and cereal production has been maintained and increased. The hon. member who is parliamentary assistant to the Prime Minister, in speaking to the measure the other day, stated, as I recall, that it was expected that a substantial contribution from Canada would be in wheat. I can assure my hon. friend that we have the wheat in this country at the present time. I think, therefore, my hon. friend was extending himself considerably in an effort to find ground for criticism of the food production programme in this country. He may not know it, and he may not believe it when I tell him, but from one end of Canada to the other there is full recognition to-day of the magnificent job which the Minister of Agriculture has done in the production of foodstuffs. I find evidence of this on every hand. What do the authorities in Great Britain say; what do the authorities in the United States say, about Canada's effort in this regard? They think it has been a very fine effort and has made an exceedingly great contribution to the purposes of the war.

I simply wished to say this because in the absence of my colleague the Minister of Agriculture I did not wish to let pass unchallenged the rather strong criticism which was made by the hon. gentleman who leads the opposition.

Motion 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, 1944

Hon. T. A. CRERAR (Minister of Mines and Resources): I understand that, my hon. friend the leader of the opposition (Mr. Graydon) concurring, we may revert to order No. 7 and get the third reading of bill No. 87.

Hon. ALPHONSE FOURNIER (Minister of Public Works) moved the third reading of bill No. 87, to authorize an agreement between His Majesty the King and the corporation of the city of Ottawa.

Hon. GORDON GRAYDON (Leader of the Opposition): We are prepared to allow this bill now to proceed. I only want to caution the government; on future occasions, when there is a bill to be presented, do not place us in the embarrassing position of having to object to the passing of a bill in which we are interested and which we support. I leave that as a word of caution.

Mr. J. R. MacNICOL (Davenport): I want to add one further word. Do not let the leaders think, either, that because one or two copies of a bill are distributed to the leaders, only, in the house, that carries it, merely with the leaders' support. I warn the government now that I will not support any bill merely because the leaders get copies of it. A bill has to be distributed to every member of the House of Commons. With that protest, the bill may go ahead.

Motion agreed to and bill read the third time and passed.

JUDGES ACT

AMENDMENT TO PROVIDE FOR SALARY OF THIRD JUDGE OF THE EXCHEQUER COURT OF CANADA

Hon. L. S. ST. LAURENT (Minister of Justice) moved the second reading of Bill No. 85, to amend the Judges Act.

Mr. T. L. CHURCH (Broadview): Before the bill is read a second time I should like to suggest that we should have what in some legislatures is known as a legal committee. A great many members of the House of Commons are not lawyers, and it may be a good thing that they are not, but I believe this house needs a committee on legal bills of this kind. Five or six matters have arisen, of which this bill is one, to which a legal committee could usefully give consideration—matters affecting the judges, their status, the question of salaries, criminal code amendment, the justice department, and related legal subjects. I believe that such a committee would strengthen the hands of the Attorney General of Canada, the present Minister of Justice (Mr. St. Laurent). He is right most of the time, and I hope that shortly he will be promoted and become right honourable, perhaps when the birthday honours are announced.

Another matter for such a committee was referred to several times by Chief Justice Robertson in the Ontario court of appeal, namely the problem of delinquency. I hope the minister will consider this suggestion for such bill as the one now before us. I support the second reading of the bill.

Mr. A. H. BENCE (Saskatoon City): This bill gives us an opportunity of drawing one or two matters to the attention of the administration with respect to the judiciary. The position which the judiciary of this country finds itself in at the present time should, I believe, be broadly reviewed for the purpose of determining whether the conditions which exist are the best possible in the interests of the administration of justice. There are a number of important questions which must be given serious consideration. One of the first is, are we providing sufficient compensation for the judiciary to attract the very best type of man to the bench? It seems to me, in view of the fact that the judges are the custodians of the rights of the people, and sit in judgment on matters which concern the liberty and the property of the subject, they should be in a position, financially and otherwise, so that no question might arise about their being beyond reproach. It is not asking too much of parliament to suggest that the scale of financial remuneration of the judges be such that, first of all, we can obtain the best men available, and, second, that once they have been placed in the judicial position, they shall have no undue worries as far as their financial future is concerned.

In connection with this matter I would draw to the attention of the minister and the administration a matter which I know has created considerable concern among members of the legal fraternity, namely the fact that no provision is made for the maintenance of widows and dependents of deceased judges.

I should also like to take this opportunity of discussing the vexed question of the compulsory retirement of judges. This matter has been referred to on a number of occasions, not only in this house but in the press. The situation which exists with respect to compulsory retirement is, to say the least, anomalous. Under the provisions of the British North America Act the governor general, which is to say the government, is authorized to appoint two different types of judges, those of the county or district court, and those of the superior court of the province, consisting of the trial judges and the appellate judges. In addition to that, under the provisions of the other acts which are in existence, the Supreme Court Act and the Exchequer Court Act, the governor general may also appoint judges to the supreme court and to the exchequer court.

With respect to judges of the district or county courts, the lowest courts to which appointments are made by the government, there is a provision that there shall be compulsory retirement at the age of seventy-five. That provision is contained in the Judges Act, and I believe was first passed in 1913.

The provisions for the supreme court are contained in the Supreme Court Act, and we find that the justices of that court are also compulsorily retired at the age of seventy-five years. That provision came in a little later, and was passed by parliament in 1927. Section 9 of the Supreme Court Act states:

> 9. The judges shall hold office during good behaviour, but shall be removable by the governor general on address of the Senate and House of Commons: Provided that each judge, whether heretofore appointed or hereafter to be appointed, shall cease to hold office upon attaining the age of seventy-five years, or immediately, if he has already attained that age.

A similar provision was placed in the Exchequer Court Act at that time. Thus we now find ourselves in the position where judges of the lower courts, namely the county or district courts, and judges of the highest court of the land, namely the Supreme Court of Canada, are compulsorily retired at the age of seventy-five years. On the other hand, members of what I might describe as the intermediate court, referred to as the superior

court, consisting of the trial and appellate courts, are not subject to the same provision. We find ourselves in the position where we have men sitting on those courts who have attained ages as great as ninety years. We have had many examples of judges over eighty years of age who have sat in these courts.

I believe I should first point out the reason for this condition. District court, county court and supreme court judges are appointed under acts of parliament, and hold office by virtue of those acts. On the other hand, superior court judges hold office partly by virtue of a provision contained in the British North America Act, to be found in volume 5 of the Revised Statutes of Canada. Section 99 of that act states:

> 99. The judges of the superior courts shall hold office during good behaviour, but shall be removable by the governor general on address of the Senate and House of Commons.

Consequently, as a result of the provisions of that act, parliament has no authority to deal with the compulsory retirement of judges of the superior court. On the other hand, parliament has authority to deal with, and has dealt with judges of other courts.

As I said before, the provisions respecting the compulsory retirement of supreme court judges were brought into effect in 1927, at which time considerable discussion took place in the house. It was decided at that time that there should be compulsory retirement, and that it should be retroactive.

The next step in the picture came in 1933, at which time a measure was introduced and passed in the house, despite the opposition of hon. members of the party now occupying the treasury benches. The measure at that time did not deal with compulsory retirement, but provided that when a judge of the superior court reached the age of seventy-five his salary would be reduced to the amount of the pension he would receive if then retired. In my opinion the method adopted to achieve the purpose the administration had in mind was not the best one available. In other words, it was a roundabout way of achieving an object which, I believe, could have been attained in a direct fashion.

At the time that matter was before the house for consideration a fairly lengthy debate took place. The objection taken to the measure was voiced briefly by the then leader of the opposition, the present Prime Minister (Mr. Mackenzie King), when he stated, as reported at page 4790 of *Hansard* for 1932-33:

> The provisions of this bill appear to violate contracts between the crown and members of the judiciary. Perhaps my hon. friend would explain to us on the second reading whether that is the case or not, and if it is the case, on what grounds he justifies the measure at all.

[Mr. Bence.]

Subsequently, during the debate, the Right Hon. Mr. Lapointe took strenuous objection to the effect that the legislation would be a breach of contract between the judges and the crown. Generally speaking, it was opposed on that basis by members of the Liberal party then sitting in opposition. It is indicated in Mr. Lapointe's speech that they felt the question of politics came into the consideration of the administration, and he pointed out the following at page 4795 of *Hansard* for the same year:

> I am free to confess that I believe the purpose is to create vacancies for the appointment of new judges.

Unfortunately, I believe one of the greatest difficulties different administrations in this country have encountered has been that oppositions have felt that the reason why certain measures were being introduced might be partly political, giving the administration of the day an opportunity to fill appointments from adherents of their own political groups. It seems to me that was a great mistake. Surely the attitude taken at that time was the wrong one, because if the measure had been passed by parliament we would not find ourselves in the impossible position we have to-day, and the situation would have been immeasurably improved by this time. Possibly I should add in passing that while the measure was passed by the House of Commons, it was eventually turned down by the senate on the grounds advanced by the then opposition in the house.

I am not in favour of a policy of breaking contractual obligations with anyone, certainly least of all the judges. I believe this problem could have been solved quite easily in another way. First of all, an amendment should be made to the British North America Act so that parliament could deal with superior court judges in the same way as it deals with judges of the lower courts, and with those of the highest court in the land. There would appear to be no sound reason whatsoever why that should not be done. A provision could be inserted in the proper act along the same line as those provisions now applicable to other judges, and there could be compulsory retirement at the age of seventy-five.

In order, however, that there may be no question of breach of contract, I believe it should be provided that the compulsory retirement would not apply to present members of the judiciary, or that financial provisions be made whereby those now sitting in the various courts might be compulsorily retired at seventy-five, but with the full salary they now receive. In that way we would avoid

being accused of a breach of faith which otherwise might follow. It would only be a few years before the matter would be completely straightened out. Judges now on the bench could be permitted to act until they retired or were possibly removed, a procedure that is not often adopted in this country, and then provision could be made with respect to new appointees on the same basis as now applies to the district courts and the Supreme Court of Canada. In accepting an appointment, a man would know exactly what his position was. If it is felt that something should be done immediately about the retirement of judges who have reached seventy-five years of age, I think we should consider giving compensation on the basis of their present income. That is the only fair and sensible solution of the problem.

I do not want to get into any argument as to whether any particular man who is over seventy-five years of age still retains his faculties sufficiently to perform his duties in the same manner as he did in earlier life, because there are certain exceptional examples of men who can do this. However, I think generally speaking it must be concluded that when a man has reached seventy-five years of age his faculties are not nearly as good as they were when he was younger. In addition, I believe the public has not as much confidence in the judgment and ability of a man of eighty-five or ninety years of age as in the judgment and ability of men twenty or twenty-five years younger. We must consider the position of the public in this matter, because the administration of justice affects the public. These courts have been created and these judges have been appointed purely and simply for the purpose of being of service to the public. Also, if judges were retired greater opportunity would be given to younger and more aggressive men to enter the judicial field.

I think the political angle should be entirely disregarded. I doubt if there will be any opposition, or at least not very much, from any of the parties in this house should the administration decide to proceed along the lines I have suggested. I do not think it will be contended that vacancies were being created for the purpose of appointing particular men.

This matter has to be faced, and the sooner it is faced the better. When the exchequer court bill was before the house I took the stand that judicial appointments should be made as quickly as possible. The minister took exception to my remarks and suggested that I had said that such appointments were dangled before the eyes of prospective appointees. I was not making that suggestion with respect to the minister himself; I was making it with respect to the administration generally. I think it is agreed that in many cases appointments are held up because of the political situation in which certain gentlemen find themselves. That is a situation which should be avoided if at all possible. The minister may think the administration of justice in Saskatchewan has not been impaired because a certain position has not been filled, but in the long run I think it is a better policy not to put off these appointments indefinitely. The minister will clear up this matter to my satisfaction, and I am sure to the satisfaction of all members of this house, if he makes this appointment to the vacancy which exists there as soon as possible and not let politics intervene in any way. The minister has referred to the fact that members of the legal fraternity who were not adherents of the political party at present in power have been appointed to the bench by this government. He may know of such cases, but I must say they have not come to my attention and I do not think they exist in Saskatchewan. I suggest to the minister that the present vacancy in that province offers an admirable opportunity to him to demonstrate the spirit which he has suggested exists. Possibly some leading member of the Progressive Conservative party could be appointed to that post.

As far as the situation in that province is concerned I should like to reiterate emphatically a protest which I made when the exchequer court bill was before us. I believe we have reached a time when the learned gentleman who occupies a high post in the diplomatic service of this country as high commissioner to Australia should make up his mind, or the administration should make up his mind, either to continue in the diplomatic service or to return to his duties on the bench. Personally I think it is unfair that he should be allowed to retain a judgeship in his hip-pocket, so to speak, while he spends a number of years in other countries.

Mr. S. H. KNOWLES (Winnipeg North Centre): Mr. Speaker, I should like to take just a few minutes to express my support of the contention of the previous speaker that steps should be taken as early as possible to strengthen the position of the judiciary in the eyes of the people of this country. I feel he has done something worth while in the presentation he has made in connection with the desirability of the retirement of judges of the provincial superior courts at a determined age. As he has pointed out, we find ourselves in a rather odd position. The judges of our highest courts, the Supreme

Court of Canada and the Exchequer Court of Canada, and those of the lower courts are subject to compulsory retirement. On the other hand, judges of courts in the so-called middle brackets, the provincial superior courts, are appointed for life. The British North America Act denies either to this parliament or to the provincial legislatures the right to fix a compulsory retiring age for these judges.

While it is agreed that some men of ripe years maintain their mental and physical vigour, I think as a general rule it would be much better for the administration of justice and the prestige of our courts if we adopted the principle that the judges in all courts should retire at a fixed age. In my view the retiring age of seventy-five years which applies to those judges who are compelled to retire, and which is the age the hon. member for Saskatoon City (Mr. Bence) thinks should be applied in all cases, is too high. I believe in this day a lower age should be fixed and I suggest that seventy years might be given consideration. When I use the phrase "might be given consideration" I do so in the hope that the government is giving serious thought to this matter. I dare to hope that when the Minister of Justice (Mr. St. Laurent) speaks, as I hope he will a little later on, he will give some indication whether this matter is under consideration by the government.

In the province from which I come, one of the newspapers on its editorial page not long ago gave itself to an expression of opinion on this whole question. I think many of us will agree it was regrettable that the kind of thing had to be said that was contained in that particular editorial. The principal objection was that it seemed by inference to cast reflection on some of the older men of one of the courts of Manitoba who undoubtedly had given good service. It is not necessary for me to defend the Winnipeg *Free Press,* but I do wish to say it is regrettable that that kind of situation could develop where, in order to press an important point such as this it seemed necessary to involve the prestige and personalities of revered gentlemen such as those who have sat on our bench. That, of course, was not intended, but it grew out of the failure of governments of the past, as well as the present administration, to deal with this matter.

I feel that the previous speaker is on sound ground when he suggests that we should not delay further in connection with this matter. I understand that at the present time in the provincial superior courts of the country—these courts have a wide range of names—there are twenty-nine judges between the ages of seventy and seventy-five, and eleven judges of the age of seventy-six or over, running as high as ninety-two years.

Like the previous speaker, I affirm that undoubtedly there are men in the higher brackets with mental and physical vigour greater than that of many who are much younger, but as a general principle I think members of this house will be agreed that there ought to be fixed a reasonable retiring age for judges of all courts in this country. I agree with the previous speaker in his suggestion that an amendment to the British North America Act should be sought to make this possible. If there are reasons which make it difficult to secure such an amendment for a period of time, I would suggest that some other method might be found to bring about this result. I have, as a matter of fact, on the order paper a bill which, while not in a sense concerned with the retirement of judges, would have that effect. My purpose in rising at this time is to express the hope that during the course of this debate the Minister of Justice will give us some indication as to whether or not the retirement of judges of the provincial superior courts is being given consideration.

Hon. L. S. ST. LAURENT (Minister of Justice): Mr. Speaker, I think in about two minutes I can give the assurance that hon. members have sought, that at the very first opportunity the matter of an amendment to the British North America Act to deal with the provision which now gives judges of the provincial superior courts a life tenure in their office will be considered. This is in my opinion a matter which should not be presented for amendment to the imperial parliament without previous discussion with the provinces, because the administration of justice and the establishment of the courts are matters that are within provincial jurisdiction. It is my view that the proper procedure with respect to amendments to the British North America Act when dealing with any portion that gives jurisdiction to provincial legislatures should involve prior conference and consultation with the legislatures, and if it is sought to take away from them something which has been allotted to them, their consent should be obtained.

Mr. BENCE: That is not the case here, may I suggest.

Mr. ST. LAURENT: I would consider that it is a case where there should be consultation with the provinces, because under section 92 they have jurisdiction in respect of the constitution of the courts, and section 99 is not placed specifically within dominion or provincial powers because it is something which

affects both the powers of the governor in council and the powers of the provinces with regard to the setting up and the manning of the courts of justice. It is a matter which was on the agenda for discussion at the last provincial conference, and it certainly will be one of the matters to be considered at the next provincial conference. All I can say to the house is that as far as I am concerned I would recommend that that conference agree to an amendment to the constitution to give the proper Canadian authorities the right to fix an age limit for the exercise of judicial authority. I am not going to discuss at the present time whether it should be seventy or seventy-five years. I think that is a matter which should be left entirely to the good judgment of the Canadian legislatures including this dominion house, and I would hope that the provincial legislatures would find it in the general interest to leave that to the discretion of parliament, as it is in the discretion of parliament with respect to federal courts and with respect to district and county courts.

As, however, everyone here has recognized, the direct way of going about it will be to get an amendment to the British North America Act, and then have parliament deal with it in its wisdom, as it should be dealt with according to the circumstances.

For the supreme court and the exchequer court—and of course this bill is only concerned with the exchequer court—the age limit that parliament has seen fit to set is seventy-five, and the same age limit has been set for the district and county courts. I do not think the constitution should fix what the age limit should be. I think it should be left entirely to the Canadian legislatures to determine from time to time what the proper age limit should be. At the next provincial conference, if I am there, I will strongly urge that something be done so that Canadians can settle in their own legislatures what should be the proper age limit.

Mr. GRAYDON: Does that mean that the conference is apt to be very soon? Is that the implication?

Mr. ST. LAURENT: The conference, as far as the federal authorities are concerned, will take place just as early as the provincial representatives can be brought together. We cannot have a conference without them. They have been invited and have been urged to come just as quickly as they can find it convenient to do so.

There were two other matters discussed by the hon. member for Saskatoon city (Mr. Bence). One was, are we providing sufficient compensation for our judges? This bill is to provide compensation of $9,000 for an additional puisne judge of the exchequer court. It would probably not be proper to make that figure any different for that position from what it would be for the president of the exchequer court or the other puisne judges of the court. It probably would not be proper to make it different from the general scale which applies to the superior court judges throughout Canada.

Mr. BENCE: I did not suggest anything like that.

Mr. ST. LAURENT: It is a matter about which the Minister of Justice has received for several months urgent representations not only from judges and lawyers but from a large number of organizations that have expressed the view that under present conditions the country was not making sufficient provision for the compensation of the judiciary. That, however, cannot be dealt with on this bill. It is a matter that is being given serious thought by a great many people.

It is the same with respect to the question whether or not there should be some provision for widows or dependents of judges. Hon. members may be assured that these matters are receiving serious consideration, but there are, of course, a great many factors that have to be taken into account, especially during a war period, when the burden on all citizens is so great. I trust that with this assurance the house will be prepared to accept the provision of this bill for the additional judge to be appointed in the exchequer court.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Bradette in the chair.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Section 1 agreed to.

Bill reported, read the third time and passed.

INTERNATIONAL MONETARY FUND

JOINT STATEMENT ON ESTABLISHMENT TABLED

Hon. N. A. McLARTY (Secretary of State): I would ask that we revert to motions, Mr. Speaker. On behalf of the Minister of Finance, who is unavoidably absent, I table, in accordance with the statement which the Prime Minister (Mr. Mackenzie King) made to the house this afternoon, three copies in English and three in French of the joint statement on the establishment of an international

monetary fund. Printed copies of this statement will be available for members either to-morrow or Monday.

Mr. COLDWELL: Did I understand the minister to say that copies would be available or printed in *Votes and Proceedings?*

Mr. McLARTY: I said that printed copies will be available. I am more or less pinch-hitting at the moment, but my advice is that they will be printed.

Mr. COLDWELL: As long as they are printed I am content.

CANADIAN NATIONAL RAILWAYS

APPOINTMENT OF GEORGE A. TOUCHE AND COMPANY AS AUDITORS

Hon. J. E. MICHAUD (Minister of Transport) moved the second reading of bill No. 86, respecting the appointment of auditors for national railways.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Bradette in the chair.

On section 1—Appointment of auditors.

Mr. GRAYDON: I fancy this is a non-controversial measure, but there are two questions I should like to ask the minister. Is this bill, as it stands, on all fours with the bill of the previous session covering the same matter? Are the terms of remuneration for the employment of the firm of auditors the same as they were in the previous bill?

Mr. MICHAUD: The answer to the first question is that the bill is almost on all fours with last year's bill except that in the twelfth line the numerals 1944 were substituted for 1943 to make it applicable to this year. The same remuneration is provided for as in past years.

Mr. GRAYDON: Has the minister with him the exact remuneration which the company received during the last year?

Mr. MICHAUD: Yes. The remuneration is provided by agreement and has been for some years. It is $50,000 annually. In the last few years an additional amount of $1,800 was provided as remuneration for auditing the accounts of the Trans-Canada Air Lines.

Section agreed to.

Bill reported, read the third time and passed.

[Mr. McLarty.]

WAR APPROPRIATION BILL

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

The house resumed from Thursday, April 20, consideration in committee of a resolution to grant to His Majesty certain sums of money for the carrying out of measures consequent upon the existence of a state of war—Mr. Ilsley—Mr. Bradette in the chair.

DEPARTMENT OF TRANSPORT

Air services branch—

3. Civil aviation: operation and maintenance of municipal (terminal) airports, $398,260.

Mr. GRAYDON: At least one member of our group desires to say something on this this item.

Mr. MacNICOL: I shall not be long. Unfortunately, I had to be out of the house during the time much of the debate was carried on. I was in when the hon. member for Lake Centre (Mr. Diefenbaker) spoke, and I congratulate him upon the presentation he made and upon the clear evidence of how he digs into matters in which he is interested. He presented an exhaustive statement to the committee. I was in when the hon. member for Macleod (Mr. Hansell) spoke. I greatly enjoyed his speech, too, because of the amount of material he presented. Many of the other hon. members made excellent speeches as well, but I do not recall them at the moment. The two committees of which I am a member took up a good deal of my time and therefore I missed much of the debate. I was in last evening when the minister spoke and I enjoyed his remarks. He was much more explicit last night than he was when I heard him on March 17. If he had said on March 17 what he said last evening, perhaps the debate would have been shortened. However, I feel I ought to state my position as clearly and as briefly as I can.

I am convinced that the discussion so far has done good and that much information has come out. I keep asking myself, as I did in the beginning, when I heard the minister speak on March 17, what is the situation? I say frankly I was greatly dismayed. Not knowing all the facts at that time I feared the direction in which we were headed. I have always been a strong advocate of maintaining Canada's sovereignty in full. For years I have looked forward to a great expansion in Canada's airway programme. I envisioned some city in the maritimes being made the centre of air operations in that section. I am not familiar enough with the airfields in the maritimes, or the air currents,

fogs and so forth that would have to be taken into consideration in the establishment of airfields, to know much about the best centre there; but I presume some one big centre could be developed from which Canada's whole eastern air programme would be operated.

I had envisioned Montreal as a great air centre. When I speak of Montreal I mean the airfields adjacent to Montreal and used by that city and vicinity. I had envisioned an airfield there from which the whole territory north to Ungava and perhaps Baffin Land, when that territory is opened, as it will be by-and-by, both commercially and for passenger traffic, could be served. I know enough about the north to realize that its resources are far beyond the conception of the average Canadian, in fact beyond the conception of most people anywhere. I have envisaged an air transport service some day, consisting of planes of one to three hundred tons capacity and even more, moving products down to Montreal from the north. I envisage another great airport at or near Toronto. I am not sure whether the department have finally settled on any specific site, although they do use Malton and perhaps the island airfield. Certainly the country north from Toronto around Hudson bay will open up for both commerce and passenger traffic a great field of future expansion. The same applies to the country north of Winnipeg along the west coast of the Hudson bay, in which area minerals are being discovered. I fancy I can see in the future great fleets of aeroplanes coming down from the north, helping to build up Winnipeg into a great city of half a million or more. The same applies to Prince Albert, perhaps the last really big centre for northern Saskatchewan, which has a great northern hinterland. The same is also true of Edmonton. Every time I go into the territory north of Edmonton, whether by boat, plane or otherwise, I picture to myself the day when Edmonton will be a city of half a million. It has, I am convinced, one of the surest futures of any of our cities. The same would apply to Vancouver or whatever airfield is established near that city for traffic on the west coast and across to Asia.

So that I had envisioned a great and wide air programme for Canada, and when I heard the minister speak my heart went down, for, I said to myself, "This is all going to be put, at least to a certain extent, under foreign control." In that I may be wrong; I hope I am. But when I read the minister's speech, and I have read it carefully two or three times, I first asked myself, "Just why the hurry to submit either to this house or to any other body our proposals?" The minister stated that he attended the conference at London last October, at which, perhaps, air programmes both national and international were under discussion; but he ended his remarks in that regard by saying that that conference had been only exploratory, and that the intention was to hold other conferences here and there and perhaps everywhere and explore the matter farther. Then I asked myself, how can we have before us these draft proposals for discussion if other conferences, perhaps much more important, are to be held? I would have thought that any draft proposals would be left until every possible avenue for both international and national airways had been explored.

To come back to the subject of the national airways, has the minister, both in his remarks and in the draft agreement, indicated that we are to have full possession of the air over our respective countries? In the words of article II, section 1:

> Each member state recognizes that every state has complete exclusive sovereignty over the air space above its territory.

I cannot reconcile that with the section immediately preceding namely section 3 of article I, which reads:

> The authority—

That is the international authority which is to be set up, not the local authority, and on which Canada will presumably have her fair share of members.

> —shall have exclusive jurisdiction, pursuant to the provisions of this convention, over international air services between two contiguous member states, provided that any two contiguous member states—

For example, I suppose, countries with extended borders, such as the three or four thousand mile border between Canada and the United States.

> —may agree that services between them shall come under the exclusive jurisdiction of the authority. When such an agreement has been notified by both states to the board, and until such agreement has been terminated, the authority shall have exclusive jurisdiction, pursuant to the provisions of this convention, over the services between the two states.

To my way of thinking, if an outside international authority has control over air lines in Canada or between Canada and the United States, that is a surrender of our own absolute control over airways in Canada; and it seems to me that, if that is the case, we would always have to submit to some international authority a request to multiply and extend our air lines. Knowing this country as I do.

I foresee great expansion to the north. Canada's northern territory has not even been scratched. An extremely limited survey of these areas reveals that they are full to overflowing of resources and have vast possibilities. Steffansson, the great arctic explorer, who has written so much about the north, spent a couple of years in the arctic without having taken with him any resources for the maintenance of himself and his crews, in order to demonstrate to the world that the white man can live in the north without supplies from the south. Having made discoveries of vast resources up there, he has recorded them in his books.

I myself, while on my trips to the north, have met many other men who have been farther north than I have, priests and clergymen of the Anglican church and the Roman Catholic church who have lived for many years in Baffin island, Southampton island, Banks island and elsewhere, and all of them record the existence of great resources. The time is coming when Canada will not only receive from our incomparable north vast resources but enjoy the possession of a playground which, even though it be cold for part of the year, will be visited by millions of tourists. I myself just love it; I cannot get enough of it. I do not know when I am going to be satiated with travel in the far north, and I believe that those who go there once will want to go again. How are we to control the air lines—not one, two or three, but maybe twenty-five or thirty—which will radiate from our great southern centres to aid in the exploration, survey, development and transportation of the products of the north? I say, how are we to do it if some international body is to control our routes? I have great respect for the minister. He is a hard worker, and has had a lot of experience. I sincerely hope, however, that in proposing this convention and the articles therein he is not surrendering any of Canada's sovereignty to do what she likes within her own boundaries. When he speaks again I hope he will reassure me that that is not the intention.

During the course of his remarks he did say something that I thought was real news, namely, that the government had determined that after the period set out in his speech the great Canadian Pacific Railway—and I suppose the Canadian National Railways too—are to divorce their activities from aircraft. I shall have to be shown before I will support that. Someone will have to present facts, figures and arguments to convince me that any other transportation service could carry on air transportation better than either of the great railway systems.

[Mr. MacNicol.]

In the course of his remarks the minister said that about two years ago he had invited representatives of the Canadian Pacific Railway, the Canadian National Railways and Canadian Airways to sit in and to cooperate under one management. He pointed out that he would allow two directors to each of them. In the end the Canadian Pacific Railway and Canadian Airways representatives declined to enter into that arrangement. I have just been wondering if the minister has been somewhat piqued because the Canadian Pacific representative did not come in on that plan. I think the minister is too big a man for that. But his action in divorcing the Canadian Pacific Railway from any connection with airways prompts me to ask myself if the minister is not just a little piqued?

I cannot find anything but praise for either of our two great railway systems because both have done marvellous jobs. Perhaps the Canadian Pacific, being the first in the field, and having been longer in the railway business—although it was not ahead of the old Grand Trunk—deserves unstinted praise and support from this country for the vast contribution it has made to our development. I do not know what Canada would have done had it not been for those wonderful men who built and operated the Canadian Pacific, right down to today. When I say that I am not detracting in any way from the Canadian National system. I am one who greatly admired the work done by the late Sir Henry Thornton. I am one who was deeply sorry when I learned of his sad and tragic end. In my view, even if he made a few mistakes, even if he did take some steps which did not pan out as had been hoped, he deserves great credit.

I am convinced that the two big railway companies, either together or separately—and I prefer separately—have done masterly jobs, even if under the minister's direction. The minister did say something about competition. As one who was in big business, one who helped to build big business, I know that the sharpest and strongest competition with which any business house can be confronted is the best possible means of sharpening the wits of the men who are at the head of that business. It induces them to develop their business. I do not believe any big company in Canada would have got anywhere, had it not been for competition.

I am one who believes that competition is the life of trade, and it results in initiative. Why does government service fail? Although occasionally government can do something right, in the great majority of cases businesses operated by governments are failures, because there is no inducement for the management to

initiate anything. They are on the government payroll, and they do not need to care a fig whether they make ends meet or not. As one example, ample evidence of that is to be found in the oil business at Fort McMurray, and that is only one of many examples. Private business thrives, advances, increases employment and gives more jobs when it is operating under conditions of the strongest competition. That has been my experience. I have seen businesses grow to great strength from very small beginnings, because in their operations they were at all times face to face with other brilliant men who were designing, thinking and initiating. One cannot get anywhere in this world without initiative.

I fear that there will not be anything to induce any air company to expand, initiate, and develop unless it has competition. I am not one who would for one moment criticize anybody else who thinks the government can operate business. My experience has been, however, that private business cannot operate successfully in competition with it—that is, if they are not on the same footing. Private corporations have to finance their operations with a view to making a profit from their business. On the other hand, government business does not need to care whether there is a profit or not. All it has to do is to appeal to the treasury, if it wants more money.

I fear that if all air transport is put under one control we are not going in the right direction—either that, or all competition is a failure. That is something I do not believe. I fear the placing of Canada's lines before some outside international body for approval. We have got along very nicely without that sort of thing, and I should like to have some reassurance from the minister, when he speaks again, as to whether I am right or wrong in this regard.

I ask the minister: Whither is Canada drifting? Where is the old spirit? Where is that spirit of development? On each of the last two occasions I visited the old country I heard men talking about our imperial conferences. The last time I was over there I examined into a certain matter I wanted placed before an imperial conference which was to meet later. However, I shall not go into that now. Reading what I could read about imperial conferences I learned that those conferences are usually divided into two camps. In one camp I found New Zealand, Australia, India, Great Britain and Newfoundland, while in the other there were Canada, the Irish Free State and South Africa. That may be all right, and I am not finding fault with it. I say that each part of the empire has a right to think what it likes, and to do what is best for itself. At the same time, however, it should consider the empire as a whole, and what is best for the empire.

What has happened now? So far as the empire is concerned, the Irish Free State has more or less gone out—and I shall not make further comment upon that. I am glad to see, however, that South Africa is getting closer. May I at this point say that General Jan Christian Smuts is, in my judgment, one of the greatest men into whom God ever put breath—and I say that reverently. He is getting closer to the empire; and I am glad to see that both Australia and New Zealand are thinking much the same way. I would hope that when our Prime Minister goes to the conference to be held in the near future he will keep before him, more than ever before, the thought that after all our duty in Canada is to get closer to all the other parts of the empire. I cannot think for one minute but that all other nations would be pleased to see a stronger empire. But we cannot be stronger if we are disintegrating. Let us hope there is no dissension at any empire airways conference, for that might be followed in turn by our occupying a less important position as far as international airways are concerned. We should be ready to cooperate in full in the decisions arrived at by the representatives of the different empire countries at that conference.

I want to say quite frankly that next to the empire my love is for our cousins to the south. We are fortunate in having a neighbour like the United States. Many of us have relations living in that country. I admire that country, and I know those people will think more of me and more of Canadians generally if they see us acting in cooperation with the other countries of the empire instead of trying to set ourselves up as independent and doing as we like, apart from the empire.

It seems to me that the programme set out in this draft agreement would tend to disintegrate the unity of the empire, and if it does I am opposed to it. I am for unity of the empire above everything else. Recently I read an editorial in the *Globe and Mail.* Some of my hon. friends opposite do not like the *Globe and Mail.* I do not need to say anything for that great paper, but I read their editorials and the editorials in other papers, whether they are friendly to me or not. I always try to put myself above any selfish interests. I like to try to put myself on the plane of thinking of Canada. I want to do the best I can for this country. This editorial seems to express my opinion; they can write

what I want to say much better than I can say it. It appeared in the issue of April 19, and reads:

Here is the crux of the issue between Mr. King and his sympathizers on the one hand and Lord Cranborne and Mr. Bracken on the other. As far as we can gather from his statements, Mr. King would work out a foreign policy framed primarily in the selfish interests of Canada, and then would be willing to hold intermittent consultations with the other British governments to discover whether his policy could be dove-tailed into the policies of the rest of the commonwealth.

Lord Cranborne and Mr. Bracken, and presumably also Mr. Curtin and Mr. Fraser, before they sponsored any special policy for their own nations, would engage in close and constant consultation to determine if the views of the partner nations could not be harmonized in support of a policy which would be acceptable to the whole commonwealth. Its attainment might not always prove possible, but it would occur very frequently.

The last paragraph sets out my position.

Mr. HOWE: The *Globe and Mail* has changed its position.

Mr. MacNICOL: I am sorry to hear the minister say that, because I have refrained from talking politics. Canadian aviation and international aviation in which Canada is to be associated is above politics.

Mr. HOWE: I was not talking politics; I was talking about the *Globe and Mail.*

Mr. MacNICOL: The older I get, the farther I try to keep away from politics. I think hon. members will admit that I seldom mention politics in this house. I like to think of what I can do for Canada. When I reach the stage where I cannot render any service to my native country outside of politics, then there is no interest here for me. I wish to read another extract from the *Globe and Mail* of April 18, as follows:

In 1926 Canada, along with Great Britain and the other dominions, accepted the following as a just and worthy definition of the mutual relations, rights and responsibilities of members of this commonwealth:

"They are autonomous communities within the British empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the crown, and freely associated as members of the British commonwealth of nations."

That is the position I like to take. I cannot see why we in the empire cannot present a solid front. We do not want to do anything that will cause enmity. We want to create harmony among the nations, and especially we want harmonious relations with the great republic to the south. I do not want to be alive if the time should ever come when bitter enmity exists between the northern and southern halves of this continent. I like to think of our cousins—they are our first cousins—being the best friends there are of the empire, and the empire being their best friend. We should endeavour to avoid enmity against any other nation. The time has come when all nations must try to cooperate and avoid international strife.

International strife does not get us anywhere. The cost of this war would have provided freedom, would have provided homes and would have provided all the social requirements necessary to make every man, woman and child in the world, whether white, black, yellow or red, contented for the rest of their lives. I advocate the closest connections with the other countries of the empire. I want to advocate unity in the empire in order that the empire may more fittingly induce other nations of the world to follow its ideals. Every hon. member will admit that the ideals of the British empire have been a great example for the other countries of the world, and many of them have been adopted by other nations, especially by our cousins to the south.

I was greatly dismayed when the minister sat down on March 17. I hope that when he replies at the end of this debate he will reassure us that there is to be a maintenance of our own sovereignty, and that we are to retain our sovereign position within the British empire.

Mr. CHURCH: Mr. Chairman, I should like to direct the attention of the committee to one or two matters. First, let me say that I have a great deal of respect for the minister and for his deputy. I am sure the minister attends the theatre, although I have not been in one for ten or twelve years. Apparently in civil aviation he expects to play the part of Edgar Bergen, and he is quite capable of doing it, while the rest of us act the part of a lot of Charlie McCarthys in civil aviation. The minister deserves a great deal of credit for the way in which a lot of the work of his department has been carried on.

Many of us followed this question of civil aviation during and after the last war and during the depression. Many hon. members have shown the utmost interest in civil aviation and in the work of the huge empire air training scheme which has achieved such magnificent results. Aviation if developed will be the most important industry in this country, along with agriculture. In 1938, long before Munich, I proposed in debate in this house an empire air training plan; that we should give some of the young men who were then out of work some form of military drill, pocket money, clothing, deferred pay, on an

apprenticeship plan, and had that policy been adopted we would have been in a much better position to-day, and have had, as I said then, 25,000 skilled air pilots and mechanics when war came.

I would like to have the attention of the committee, Mr. Chairman. I do not often interrupt hon. members and I do not like being interrupted. This question of civil aviation is one of the most serious before the British empire to-day, and it demands a proper solution. But the policy now before us, if carried through, would be the death-knell of the British empire. Only to-day in the British House of Commons Mr. Churchill made reference to the fact that the dominions must be taken into full partnership both during and after this war. We saw the result of lack of cooperation with New Zealand and Australia in what happened in the far east, during those dark days when we lost Hong Kong and Singapore and when the fate of civilization hung in the balance. These great sister dominions wanted to be consulted in empire policy regarding the air, defence and security; they were opposed to decisions being taken on these matters without their being consulted, and they pleaded for an empire war cabinet.

Where do we stand in connection with civil aviation to-day? Nearly one year ago the university of Toronto established a chair of civil aviation. But the classes are slow in coming in. That university has contributed in war much in men, leadership and money. Many of the young men who have come from that great university were young engineers from your constituency, Mr. Chairman. But we have the statement of Professor Lowden that since the announcement of the policy of hon. gentlemen opposite on civil aviation the young men are not coming into the classes. After all is said and done, who saved civilization in the darkest days of 1940 when Russia had a treaty with Germany? It was the young men of Britain who fought in the air. Russia after that was attacked by Germany and has made a glorious contribution to the winning of the war. The United States was brought into this war by being attacked at Pearl Harbor. But the election of 1940 in the United States was fought and won on the issue of complete isolation. This aviation policy of the government is a straight Washington policy, pure and simple. In the election of 1940 in the United States the fight was won on the issue of going back to the policy of George Washington and Andrew Jackson of not taking part in foreign wars unless America was invaded, and the people voted in 1940, "no part in the war". But then came Pearl Harbor, and the United States has proved a glorious ally of ours since then and has helped to save civilization. But who saved civilization in the darkest days of the war? It was Britain, who stood alone for two and a half years with the exception of aid from her dominions, and those dominions gave that aid while still retaining their status of autonomy and sovereignty.

The British dominions in the last war sent a million men to the front, men who went of their own free will and fought by the side of the mother country in the same cause, which became the cause of all. One hundred thousand fell in the fight. By that action the whole history of the world was changed. The very same thing is happening in this war. From the ends of the earth, from cape and island and continent, the sons of the empire rushed to the side of Britain. It was those glorious young men who fought at Dunkirk and Dieppe who saved civilization and rewrote the history of courage so gloriously. They went up in the air by night and by day, for twenty-four hours a day, and we owe our very existence as a people to these young men. While they are away, are we, behind their backs, going to make such a policy as this? I have had letters from many of them and I know that many of them will be looking for work when they return. Many of them will want to take up aviation as a civil career, and work of this kind will have to be provided for them. In the last war some 16,000 to 18,000 air mechanics in the Royal Air Force were trained in Toronto. Many of them afterwards went to the United States. In the United States many of the young men who had been given air training in Canada in the last war went into the manufacture of aeroplanes, with the result that the United States led the world in that field, and she got a large share of aircraft production under Chamberlain's rearmament air policy after Munich in 1938.

The minister and his deputy and other officials went over to England last May for a conference. I know that the minister nearly lost his life crossing the Atlantic in connection with this war. He has worked hard and I give him credit for it. I am not criticizing him personally. But I am fighting for a principle. One of the great mistakes that Canada has made since the outbreak of the war, one of the most fatal mistakes—and it was referred to in the debate yesterday in the British House of Commons—was that by our policy, land, sea and air, we are surrendering too much in military, political, economic and financial initiative to Washington. I stand by the principles that I supported last year in the debate on the address on March 28 and again on March 31. The C.C.F. have

always been wrong about this war since it started and before. They were complete pacifists to begin with. They did not believe in the war when it started. You would think it was a political war so far as the C.C.F. is concerned, for Germany is hardly ever mentioned by them. The leader of that party referred to the fact that the two old parties were just Hitlerites. As I said to my hon. friend here the other day, everything seems to be fair in love, horse races, politics and sporting events. My friends of the C.C.F. say anything they like outside the house because they have no one to hold them in check there like you, Mr. Chairman, and Mr. Speaker who act here as referees, together with the learned clerk of the house, and long may he continue. We are under some restraint in what we say here, although no libel laws apply to what is said in the House of Commons.

But as Mr. Churchill said to-day in the British House of Commons, the war is the primary thing that should occupy our attention, and it is far from won yet on land, sea and in the air. Although these domestic matters are of vast importance, the primary thing is the war and its winning.

I believe that this policy of the minister should go for study by a committee of this house. A committee of this house was sitting the other day for a day on the T.C.A. I cannot refer to its proceedings because it has not yet presented its report. I read the questions asked and answers given the other day before the committee, and I venture to say that if the information elicited there represents all that we know about aviation in Canada there is not much hope for this country. Nothing was done to study aviation but there was a good deal of bouquet-tossing at the Trans-Canada. One would think from the committee dialogues that they had discovered America as well as Charlie McCarthy. I suggest that this matter should go to a select committee of the house where the policy could be considered from every angle. Is this policy to be decided here without full consideration, with a conference of Prime Ministers in the offing? I say no. If it is, the Prime Ministers might just as well not meet.

Civil aviation will hold the empire together more than anything else that has been done in the past, and this is the time to recapture the spirit of empire. Unless we recapture that spirit before the war is over, that spirit will go into liquidation. The policy of the government in regard to civil aviation is a small-nation policy; that is all it is. It is a narrow nationalist, anti-empire, anti-Canada, pro-Washington policy. It is a policy that overlooks all that has been fought for in this empire of ours in the two wars to which I have referred.

The hon. member for Parry Sound last night referred to the proceedings in London. That is all right. They had a nice time over there in and around London with the heads of all the countries in the world. They assembled there, made some investigations and had an opportunity of discussing certain matters, but in my opinion it was purely exploratory. Nothing much was decided and indeed nothing could be decided, apart from press interviews with Lord Beaverbrook and one or two others. In the British House of Commons Mr. Shinwell, a labour member of parliament for Shoreham, made a statement last week with regard to these matters generally. He wondered if the policy with regard to civil aviation was not a poor-relations' status policy, and he declared that consultations between the British government and the representatives of the United States on these matters were causing people to ask what arrangements had been made for the future of the country. He said that parliament had never been consulted. Lord Beaverbrook had made certain concessions to America on the question of civil aviation, but parliament, he said, had not been consulted and there were rumours that a commercial monetary agreement was likely to be reached. He added that the empire would become an economic vassal of the United States and that the future economic policy would be determined by that country.

I am as strong as anyone in this house for Anglo-American relations. I know we all admire the Americans for what they have done for us and for the civilization of the world. We admire their wonderful president, and all that. But we are living in a different world to-day. Conditions are not the same as in the past. I submit, therefore, that it should be the policy of this government first to make some exploratory arrangement or consultation with Washington so that we might come to a better understanding with the United States. The more we understand them, the more likely we shall be to like them, and the more likely it will be that we shall be able to appreciate our differences and remove them when we have a proper knowledge of the facts.

In my opinion we have not had anything like a wise policy in international affairs. The policy of the government fails entirely to realize that the air arm of the future should be considered in relation to the purposes of peace time. Civil aviation up to the time of the war was regarded as merely an adjunct

to land transportation. In the future, travel will be reserved largely for speed. Fast-travelling aircraft will be needed to carry passengers and some perishable goods as well as samples for securing commercial orders, and air transport will function almost exclusively as a means of rapid transit. I have no desire to see us enter into competition with any of our allies, and by that I mean competition that can be avoided.

Canada was asleep in the period between the two wars. Our government failed to see what the United States was doing in civil aviation in the way of research and so on. In other words, America has been right all along and we have been wrong. The people in Canada and our empire who have been using the air for commercial purposes cannot be blamed if they have thought of the future in commercial terms, but I see no reason why this country should be asleep at the switch again. We should prepare for the technical development that is bound to come in the future and be ready to provide a better transport service for the public.

Will the government's plan take this broad outlook? I say no. Civil aviation before the war was neglected by the government. It was fostered only by private initiative. Private enterprise built it up in the face of many obstacles which were unnecessarily put in its way in the period between the two wars —obstacles that were created by this house, by methods of control, heavy taxation and so on. We have never had a foreign or empire policy on this question. We have never had any really practical policy which would co-ordinate affairs from the point of view of domestic, imperial and international circumstances.

The policy which the government has announced will never be carried into operation in view of the coming conference and the pending election. I submit that civil aviation should never become a political question. It is in no sense a political question, and for that reason all parties should get together and first settle our domestic problem to find out what is the best thing to be done. Do you mean to say that all that the Canadian Pacific Air Lines have done, all that has been built up by the railways on land and sea and in the air to promote the interests of the empire, all the services that have proved so valuable in transporting food and munitions in this war, must now be discarded and go into liquidation? Must it all be thrown to the winds of the heavens?

What has become of the sacred doctrine of Liberalism, "vested rights" and all that sort of thing? We made a great mistake before the war in 1937 and 1938. Let us not repeat that mistake. When this house was told that war was coming, what did we do? We had certain regulations in connection with the board of transport commissioners, previously known as the board of railway commissioners, and notwithstanding the Transport Act of 1937, ships of the merchant marine, ships of the Princess type, were sold at ridiculously low figures. A ship called after me, costing $1,700,000, was sunk by the Germans a few days after the *Athenia,* and cargo ships of eight and nine thousand tons were sold for forty, fifty and sixty thousand dollars by the present government, notwithstanding that a war was obviously coming and that Britain had a considerably reduced tonnage as compared with her tonnage in the last war. That I say was a great mistake. Where were the regulations then? We are supposed to have regulations by a transport board in regard to ships, railways and telegraph and telephone lines, but I fail to see any evidence of their application or any attempt at regulation, nor will any aviation transport board do a thing to regulate.

The policy of the government is wrong for three reasons. They should settle Canada's domestic policy first and then move up to the empire civil aviation plan. The lifeline has been thrown out to us by Mr. Curtin of Australia and Mr. Fraser of New Zealand. When the domestic affairs are settled the empire scheme could be then settled. The empire is gone unless we have a proper civil aviation policy. When you settle your empire policy you have something to go on in the next step internationally. In the result neither Russia nor the United States will have anything to do with this international policy. The government made this policy without considering one important fact, namely, that there is an Anglo-Soviet treaty which was signed and sealed at Moscow last year by Mr. Churchill and the head of that great country, Russia. What for? According to the text of that treaty the dominions are not a party to it. It deals with some of these very questions. Russia made an agreement with the mother country. It is not a small nation policy, far from it. The policy provides that England shall be at one end of Europe and Russia at the other end to act together as policemen of the seas and on the land for the security of the whole world. There is an example of power politics with our ally Russia, and the British are going to make another one with the United States for protection.

In view of these things, how does the policy of the government fit in with the Anglo-Soviet treaty? We do not fit in at all. It is

all very well for us to think we are a nation and that kind of thing. That policy is just a small nation policy. Unless the dominions hang together—none of them is able to go it alone—they will all hang separately. We shall be a junior partner, and a junior partner in a concern has to make concessions and accept them. He has to give all he has or get out. Unless the dominions hang together they will hang separately, and they will not have much to say in the peace conference. Britain without the dominions will only be a second-class power. The whole policy of the government is wrong. It does not commend itself to the judgment or wisdom of the country. As to regulation of the railways I have very little confidence in them.

I shall touch on one or two matters and I shall conclude in five or six minutes. I wish to say in all sincerity to the minister that I believe he is making a fatal mistake in the attitude he has taken with regard to the Douglas DC-4 in selecting it as the plane for civil aviation in the dominion. I think he is making a mistake. I pointed this out on two or three previous occasions. We are behind in research for a more modern plane. What is science going to do to the industry of civil aviation in the years that lie ahead? We have seen what was done after the great Schneider races, financed in 1931 when the government would not do that much for Britain even in civil aviation. Those races were financed by Lady Houston and magnificient planes came out of the discoveries that were made at that time.

The improvements that science brought about at that time saved Britain in the battle of London. Science should be explored more than it has been by this Canadian department. Science has made a real contribution. Let us look at what science did in the years to which I have referred. The glorious history of science in every generation has been magnificent. Take the history of science in medicine and compare it with what science has contributed to this industry, notwithstanding the tens of millions of dollars that this country has spent in that line. Yet so impressive, so far-reaching are those achievements as not merely to silence all criticism but to arouse a noble enthusiasm. At Lent, Mr. W. MacNeil Dixon, the great scholar in Gifford lectures in the university of Glasgow, comparing medicine with the modern needs, in view of the battle of Britain, of science as applied to civil aviation, said that the accomplishments were so impressive and far-reaching as not merely to silence all criticism, but to arouse a noble enthusiasm and enlist in the cause of humanity a legion of recruits, missionaries of her gospel. Take modern medicine alone, which he compares with civil aviation. He stated that medicine is the child of science, the most promising and brightest-eyed of her family. If it has not mastered, it has so diminished as to rob bodily pain of its terrors. Plagues and pestilences have been stayed; a multitude of diseases, diphtheria, rabies, smallpox, typhus, yellow fever, Maltese fever, to mention only a few, were almost exterminated. Great scourge ridden tracts of the earth's surface have been rendered habitable, food values understood, vaccines and anti-toxins discovered, antiseptic surgery so established as to open up new fields of remedial agency, ailments of the mind as well as of the body controlled and relieved. This is a record, indeed, to which no previous age in history can produce a parallel. Within a century the expectation of life in all civilized countries has amazingly increased—in our own by sixteen years; in Denmark by seventeen; in parts of America, by fifteen. Give to man and to his science their due. Who can be blind to such facts or deaf to their eloquence?

That there have been accompanying disadvantages cannot be denied. All goods are associated with evils, and nature will not let us rest. A static world is not, never was and never will be. There have been revolutions in the past, there will be revolutions hereafter, in the world of thought as in the world of events. We must expect the sudden and unpredictable. You may desire a stabilized system, an international agreement to keep things much as they are in respect of national boundaries, and international treaties, material advantages in wealth, air, coal, oil, trade facilities. It will not be given you. For all your entreaties and agreements, the world will not cease to revolve. Nature is no friend of stagnation. Parliaments change; economic conditions change; birth rates rise and fall; labour is cheap here and dear there; a new invention, a new commodity is in demand, and cities spring up to meet it. Factories are built; uninhabited areas become crowded; peoples migrate; once populous districts are deserted. The seats of ancient empires are lost in the desert or the jungle.

We have made practically no discoveries. Take the policy of the government with regard to the Lancaster. My leader is absolutely right about that, and so is Mr. Drew, the premier of Ontario. The Lancaster is not merely a war machine. It can be changed by design, research and equipment. Four to six seats can be placed in it and all that kind of thing. That is where we are, I believe, failing. It is said that the Douglas is more suitable. I read the debate in the British House of Commons on this very question. It was said there

by men who have flown in the air and in all the theatres of war that the Lancaster is a good machine, and could, by research, be fitted for civil aviation. Their remarks bore out what was said by the gentleman to whom I referred. We are in need of modern research so that we could use the planes to which reference was made.

We are far behind the times. Reference was made to the Boeing plane. Mr. Johnston, once with the Trans-Canada Air Lines, was president. I have nothing against Mr. Symington. He is an old friend of mine and has been since he was at the university of Toronto; but he is on the wrong side of the fence at this time. He has always been a private ownership man, and one cannot serve two masters at a time like this. That is one of the mistakes that have been made in selecting men for the Trans-Canada Air Lines. That company should be organized from top to bottom and somebody who is a supporter of public ownership put at the head, if we are to have real public ownership. The head is the important man. In the T.C.A. we are getting the same kind of public ownership that we got years ago in the Canadian National Railways between the two wars. I could give the list of companies with which he is associated. I have them here but I shall not refer to them. The whole T.C.A. system should be reorganized from top to bottom and a different man should be at the head.

When our young men come home they will be looking for jobs. You talk about this famous bank, the industrial development bank. That will be a bank to lend money without any security. I am surprised that some of the Scotch members of the committee adopted a policy like that. I am surprised at some of the Scotch members falling for a policy like that, lending money without security, even for feeder lines in civil aviation. I look upon a Scotsman as only an improved Irishman, and I am very much surprised at the Scotch members of the committee adopting such a policy. I read the proceedings of the committee from the point of view of a public ownership man, because I have been an advocate of public ownership and have never deviated from that position.

The present T.C.A. monopoly policy is all wrong. We shall just be putting a lot of yes men in here who will agree to everything the government says about civil aviation, and so far as this phase of their policy on civil aviation is concerned the British empire might just as well disband immediately, if we are to have isolationism and separatism; whereas, by encouraging the empire conference method, by adopting the aeroplane instead of the cable as a means of commonwealth consultation. We could draw the empire more closely together.

Mr. BENCE: I do not want to make a speech. This matter has been canvassed and recanvassed and canvassed again during the course of the debate, and most of the important points have, I think been completely covered. However, there are one or two questions I should like to ask the minister, particularly with respect to some of the answers he gave last night, which I do not think are completely adequate.

First, I put this to the minister. This convention is being passed under the provisions of one of the items of the estimates, and included in his statement is the following, as reported in *Hansard*, page 1580:

> Our representatives in the international discussions, therefore, will be authorized to support or initiate such proposals as, in the government's opinion, will be likely to result in the establishment of an international air transport authority. . . .

What I wish to know is this: when this matter is concluded and the item is passed, does the minister feel that that is tantamount to an agreement by this House of Commons with respect to the policy set forth in the statement and with respect to the suggested convention, as being matters of policy and as being a matter of a convention with which we as one nation should approach the other nations in the discussion of these proposals? If that is the case, he should take us more completely into his confidence than he has done so far. If we as a House of Commons are expected to pass on these things and come to an agreement upon them, surely we should be taken into his confidence to the extent of knowing as much about it as he does.

Reference was made last evening to the fact that in the latter part of the statement of March 17 there is an allusion to the press statement issued by Lord Beaverbrook at the close of the conference last October. According to *Hansard*, page 1580, the minister said:

> Lord Beaverbrook emphasized the unanimous agreement which the conference had reached on every issue presented to it. He said that those issues were "adequate for testing immediate opinion in relation to civil aviation."

It seems to me that if we are asked to pass on this thing we should be advised as to what those issues were; they should be set down *seriatim*, if necessary, so that we can come to a conclusion in our own minds as to what field was canvassed in the discussions and what items were not discussed. In addition, we should be advised as to the attitude which was taken by us and the information

which was obtained by the minister at the conference which he held a short time ago with Mr. Burrell, assistant secretary of state of the United States, prior to Mr. Burrell's departure for England, when he entered into discussions with Lord Beaverbrook. We need to know these things if we are expected to come to a conclusion, particularly in that connection.

The hon. member for Lake Centre was inquiring last evening of the minister with reference to the matter of an empire set-up, and the most the minister was prepared to say was that there was a discussion of routes between empire countries and that routes between empire countries are wholly consistent with the principles which are laid down in the discussion of international aviation. What I should like to know is whether or not—incidental, if you like, to this discussion which took place in Great Britain last fall—the minister considered with the other members of the commonwealth the setting up of an immediate empire system which could be dove-tailed into an international set-up; because, as I see it, there may be a great deal of difficulty and it may take a very considerable time to establish an international set-up, whereas we might easily and rapidly come to a conclusion as far as the empire is concerned, and might set up as preliminary to the international organization an empire scheme which would give service within the empire countries. I do not suggest for a minute any scheme which would be opposed to an international arrangement, but it seems to me that grave consideration should be given to this matter I have mentioned, because it is obvious that before we can come to a conclusion on an international scale much time will be occupied and, perhaps, many difficulties encountered.

Lord Beaverbrook, who was one of the leading members of the conference last fall, and has been delegated by the British government to speak on behalf of the government in connection with these deliberations, made reference to the empire in a statement he made last January, which gives an indication that an empire set-up must be in his mind, as incidental to an international set-up, because obviously the international organization was also within his mind if, as was said, the commonwealth had come to conclusion on every issue which had been presented to it, for one of the issues was an international set-up. On January 20, according to the Canadian press, Lord Beaverbrook said:

> Our empire can be made to yield to the new science of transportation over the sea and through the air. I hope we shall make good use of our opportunities. We did not in the past.

[Mr. Bence.]

From that I conclude he must have had in his mind some kind of empire proposals, possibly along the lines which I have suggested.

The other questions I should like to ask are these: I do not recall that they have been referred to in the discussion so far. First of all, I am curious to find out how it was that the scheme proposed by Canada became public property so long before it was presented to the Canadian House of Commons, and what steps have been taken to ensure that such an important thing as this shall not occur in the future.

In connection with the domestic issue, I was intrigued by the statement of the minister that Canadian Pacific Air Lines had been able to obtain planes and equipment which other air transport companies had not been able to procure. It was, I think, in connection with the routes in the Pacific northwest, and was obtained as a result of the fact that the company was collaborating with the United States in that field. What I am interested in in that connection—and it is merely incidental—is why the minister was so concerned about the fact that Canadian Pacific Air Lines were able to obtain these machines. Did the fact that they did so prevent the Trans-Canada Air Lines from obtaining them; and if not, what possible complaint can he have in the fact that the company was so enterprising and energetic as to be able to obtain planes which could give service, and good service to this country?

Mr. KNOWLES: Does the minister wish to reply?

Mr. HOWE: Yes. I might say that the item which the committee is discussing, and which I hope will be passed, is an item for the operation and maintenance of municipal airports, involving a sum of $398,260. This discussion is taking place on the estimates of the air services branch of the Department of Transport, but the question being discussed is the policy of the government on aviation. Hon. members opposite asked the government to place on record its air policy. The government did so, and an opportunity is being given for discussion of that subject now, but there is nothing before the committee having to do with the government's air policy. These are war estimates of the Department of Transport, and not even civil estimates; but by agreement we are discussing post-war civil aviation. The discussion has been helpful. I can assure my hon. friend that he is making neither commitments nor entangling alliances at the present time. Much water must go over the dam before any agreements can be obtained. The government has put on record

its desires in the field of international aviation. I think no one would be more surprised than the government if its programme were accepted in toto by all the united nations which will wish to join in carrying on civil aviation in the international field. Nevertheless the government has put its plan on record and for discussion before hon. members. We welcome discussion.

Then, I was asked whether an international agreement of the type discussed interfered with Canada's sovereignty of the air within Canada. The answer is that it would not interfere in any way. No foreign aircraft could carry traffic between one point in Canada and another point in Canada. That comes under the principle of cabotage, and is expressly prohibited by the terms of the draft agreement. Then, flying between points in Canada and points in the United States is reserved for bilateral agreement. The reason is, as I said earlier, that such lines are merely extensions of domestic air lines, and it is felt that bringing such problems under an international board would be less satisfactory than direct dealing. I believe that answers the questions the hon. member asked.

Mr. BENCE: I asked whether the administration had considered, in view of the difficulties which would probably arise under an international agreement, the setting up of an empire agreement, so that we could get some kind of air route into effect, with a certain amount of expedition.

Mr. HOWE: Expedition is not needed. Air routes are being flown everywhere, as military operations.

Mr. BENCE: I mean after the war.

Mr. HOWE: After the war there will be need for international air routes. So far as empire routes are concerned, no extended agreement will be required. I believe there will be no great difficulty in flying from Canada to Great Britain, or from Great Britain to British possessions in the middle east, thence to Australia, and from Australia to Canada. It so happens it is not necessary to leave British territory to make that route, so that there could be no great problem involved. But all countries are concerned in a broader application of international aviation principles, in order that routes must not necessarily be confined within an empire family, or within empire possessions. That is the problem being discussed here. If the problem were the simple one of travelling from one empire country to another, I do not think there would be any great need of discussion in the house. It would be quite simple.

Mr. BENCE: But it would require some planning, would it not?

Mr. HOWE: What would be required? If each country had a strong aviation service, with suitable aircraft, the rest would be quite simple.

Mr. BENCE: It would be a question, for example, of what British aircraft would fly across the Atlantic, whether there would be a duplication of aircraft across Canada, which of them would fly from Canada to Australia, and so on. That is the sort of thing I have in mind, and I wanted to know whether that was deliberated upon.

Mr. HOWE: That would be a very simple problem to work out.

Mr. KNOWLES: I should like to ask the minister one or two questions about the airport at Winnipeg. Before doing so, however, there are two or three comments I should like to make because of some of the things which have been said in this debate—one which, by the way, has now become quite extended. In that connection, however, we should not be dismayed, because after all, this is a very important subject.

I should like to make this comment, that if it were not for the tremendous losses which would be involved, both to the individuals concerned and to the country as a whole, I believe it would be a good idea to let those who want a free rein for private enterprise in respect of civil aviation have it for a little while, just to see what would happen. If private enterprise in civil aviation were really carried out, it would involve private firms building airways and airports, and providing all the meterological and other services the government is now providing. It would involve the maintenance of all these services at private expense. Then, if we had private enterprise, in the strict sense of the word, we would have to permit any number of individuals to operate any number of firms, until they had cut each other's thorats, and denied the country the advantages of a planned civil aviation policy.

I thought the hon. member for St. Paul's gave the case away the other day when, in criticizing the minister for talking about a large number of individual firms which would operate after the boys came home, he said in effect that it would be ridiculous, and that it would be far better to let the Canadian Pacific Air Lines give jobs to those boys. The contention was that this would be better for returning R.C.A.F. personnel. In other words, the hon. member for St. Paul's was pointing out that in this day and age, when one talks about private enterprise he is really asking for private monopoly.

Another discussion has crept into this debate, one concerning which I should like to make one or two comments. But first, before turning to that—

The CHAIRMAN: It was understood that on one item in this war appropriation measure we should have a general discussion of civil aviation. I believe this is now the sixth day we have been discussing the items of this department, and in my opinion we should now come to a discussion of the items. I give that thought to hon. members.

Mr. KNOWLES: I shall be as brief as I can. However, the discussion has roamed literally all over the world, and in view of some statements which have been made which, by the way, have been in reply to contentions from this group, I think I should have an opportunity of replying briefly.

The statement has been made in defence of private enterprise in the air that the country would have suffered greatly had it not been for private enterprise in railway development, and in that regard the Canadian Pacific Railway has been mentioned specifically. There again I would remind the committee that the same thing applied as now applies to aviation, namely, that it was not private enterprise by itself that accomplished all this development. It was accomplished through tremendous public subsidy and public assistance.

Also, in this whole question of international aviation there has come into the debate what one might refer to as a question of—

The CHAIRMAN: I must say, as I said before, that I do not deny the right to anyone to make a statement. But surely we have reached the stage in this committee when we should try to bring the discussion within the orbit of the item before the committee. There was an understanding, I believe, on the part of all groups in the committee that on the first item of the war appropriations we would have a general discussion. We have often been criticized, and I suppose I shall have to accept part of the blame, for tedious repetition, in not applying the rules of the committee in our discussions.

Mr. HOWE: Perhaps I can speak on your ruling, Mr. Chairman. Early in the debate it was agreed that there would be a full discussion on the government's statement on civil aviation on some item. Part 2 of item 3, civil aviation: operation and maintenance of municipal (terminal) airports, has been chosen as the item under which that discussion will take place. Since the discussion has been carried on for two or three sittings, I would suggest that it be concluded with ample latitude so that the general discussion on civil aviation can be completed.

[Mr. Knowles.]

Mr. KNOWLES: Mr. Chairman, germane to the whole question of international civil aviation is the question of the propriety of a country like Canada delegating authority in this matter to an international body. That principle has been attacked and opposed in the house, and I regret that such attack has been made. I should like to state briefly our position which is in keeping with the principles of democratic government. Under that type of government we delegate certain authority to responsible bodies. In the provinces it is impossible for the population to get together and decide at a mass meeting as to what laws shall prevail. Therefore, the people of the province elect a government and delegate authority to that government. So long as the principle is maintained that in due course the government must go back to the people for endorsement or for replacement, you have a practical working out of the idea of democratic government.

We have the same thing in the federal field. It would be utterly impossible for Canada's 11,500,000 people to get together at a mass meeting in order to govern themselves. We want to govern ourselves, and accordingly during the process of time we have worked out a policy of electing certain citizens of the country as our representatives in parliament. We delegate to those people for the period of time that they are our representatives authority to direct the affairs of the people as a whole. There is nothing autocratic or dictatorial about that; it is just plain, ordinary common sense. It is democracy; it is being practical.

Some of us feel quite definitely that the time has come when that sort of thing should be extended to the world as a whole. I cannot help deploring—I hope I am a gentleman in doing so—the opposition there is to this idea on the ground that it is building up a dictatorship. When we attempt to carry this principle into world affairs we are trying to avoid having what I referred to last night, international anarchy. So long as the international council or authority which we set up and to which we delegate authority and power is responsible to the governments which have set it up, there will be nothing dictatorial or autocratic about it. That is what we must do if we want to make progress in this world which has literally become very small.

I wish to affirm again my pleasure that some steps are being taken, that some concrete accomplishments are emerging which indicate that it is possible for the peoples of the world, through their various governments, to get together to discuss the possibilities of

a government wider than a government on a national scale. I maintain that we should be practical when we discuss this kind of thing. There is no use in setting up bodies that merely meet together and talk. You must have an authority which will be able to carry out the wishes of the people they represent. That is why we in this group strongly supported the bill in connection with UNRRA; that is why we in this group were not hesitant to give our support to the government's attempt to throw into the pool of world thought some plan for the international control of international aviation.

I suppose, having said that, it would seem to add weight to the charges that have been hurled at the government from the left and right of us that they are trying to usurp the C.C.F. position in this matter. If they are trying to do that we can only congratulate them, but I should like to say to the minister that since March 17 I have had a feeling that he has receded from, shall I say, the C.C.F. position, which he took at that time. Neither he nor the government can trade for all time on the fact that he made a good statement on March 17. What we are interested in and what we believe the people of this country are interested in is what the government is going to do in connection with the policy announced in that statement.

Perhaps I should be specific and state what I mean when I say that the minister has retreated from the forceful and aggressive stand he took on March 17.

Mr. GRAYDON: He has seen the light.

Mr. KNOWLES: He has been under a great deal of pressure since then from hon. members sitting on our left and on our right. His own back benchers have not had an opportunity to get into the debate.

Mr. CRUICKSHANK: We have not had a chance.

Mr. KNOWLES: I said it first. The only support he has had has been from this group. I felt that the minister was fairly definite on that occasion as to what was going to happen to Canadian Pacific Air Lines. I took it from the speech of the minister that we could anticipate during this session of parliament the legislation setting up an air transport board along the lines referred to in his speech and also legislation providing for the divesting by the Canadian Pacific Railway within a year after the end of hostilities of their air line properties. Yesterday I asked the minister whether we could expect such legislation, and all he could say was that there would be legislation setting up an air transport board. What has happened to the rest of the aggressive policy in the domestic field announced on March 17?

Mr. HOWE: What did I say after that? I said we had better wait until we had seen the bill.

Mr. KNOWLES: That is exactly what the minister said.

Mr. HOWE: Why not do that?

Mr. KNOWLES: That is not the forceful, aggressive position the minister took on March 17. If he is now giving me some hope that he is coming back to the C.C.F. position he took on March 17, I shall be glad to wait.

On the other hand, I suppose the minister will have to be forgiven for the many qualifying remarks he has made with respect to the government's proposal for an international air transport authority. The policy has been under attack from our right and our left. I quite realize that the minister's reply that there has been no commitment is true, and he has also indicated that any changes can be made. He has taken credit that at least a policy has been given to the house for the full discussion we have had, although he admitted when he first tabled the document that one reason for doing so was that it had already been made public in another country.

As I indicated earlier, I have studied the document closely and I find many flaws in the policy, some of which I have already indicated to the committee. But as I have said before, I feel it is a good thing that some thought is being given to this matter. Instead of the minister making qualifying statements, I would rather see him taking an attitude indicating an aggressive desire on the part of the government to do all they possibly can to get something in the way of international direction of international civil aviation. It is a very important matter, and now that the debate is over and the minister has managed to answer all the arguments fired at him, I hope he will come back to the stronger position he took on the 17th of March, even if that does seem to entitle him to an honorary membership in the C.C.F.

Before I sit down, there are two or three questions which I rose particularly to ask. I think the minister will recognize that in all that I have said about this question of civil aviation, and indeed with respect to other matters of which I speak in this house, my concern is not a narrow or provincial one, because I think in terms of national policy and of things that affect the people as a whole. Therefore, I hope the minister will not impute any narrow provincial in-

terest to me when I ask a question concerning the airport at Stevenson Field in the city of Winnipeg. As the minister knows, Winnipeg is almost certain to be a very important point on the world air map of the future. The people of Winnipeg are conscious of that and are keenly interested in anything that relates to the development and enlargement of their airport at Stevenson Field, which is under the jurisdiction of the St. James-Winnipeg Airport Commission. If that airport is to serve the airways of the future as it can, and we feel it must, it will require considerable enlargement. I have had the privilege of seeing diagrams which indicate the kind of extension that might take place, calling for doubling the length of the present runways. If that is to be done, some thought will have to be given to the purchasing of property adjoining the field on the east end and the south, and some property on the west where buildings are located. There is also an open area to the north which is separated from the present field by a branch line of one of the railways. Thus there are many matters that will have to be looked into if that airport is to be enlarged, and the people of Winnipeg and of Manitoba are interested in this matter, to which the St. James-Winnipeg Airport Commission have been giving a great deal of thought and study. I believe they are in fairly steady contact with the minister, and it would mean a good deal to the people of Manitoba if the minister would make a statement as to any plans which the government may have for enlarging the airport at Stevenson Field. I say again that I raise this question because I feel it to be of interest to the people not only of that area but of the whole country, because of the inevitable importance of Winnipeg on the air map of the future.

Mr. HOWE: There is no question of the importance of Winnipeg on the air map of the present. It is the operating centre of the Trans-Canada Air Lines and the major overhaul base for Trans-Canada Air Lines. Stevenson Field is a very important airport. Trans-Canada planes going from coast to coast all stop there, and as far as I know it is adequate for any possible use that can be made of it. The largest planes that are flying stop there from time to time en route from the United States to Alaska. If at any time it becomes inadequate for the class of plane using it, I am sure that steps will be taken to enlarge the airport, but no steps are contemplated at present. The department has been asked to indicate how the field could best be enlarged when the time comes, and a plan was drawn up indicating how the runways could be lengthened. That was done by the Department of Transport. There is no thought on the part of the government that any enlargement is now required. It is a first-class field in first-class condition, but if any time a larger field is required Stevenson's Field can and will be enlarged to meet such requirements.

Mr. GRAYDON: May I remind the minister of two questions which were asked by the member for Saskatoon City which have not yet been answered. One was in connection with the so-called leak, to use a common term, with respect to the publication in another country of the convention which the minister put on the record here on March 17. Prior to that time, as the minister well knows, the question was raised, if not in the house most certainly in the press, as to why the convention which the minister tabled had previously been made public in the United States. There was quite a bit of speculation about that matter, and finally the government placed the convention on the records of this house. I think the minister overlooked that question, which I think deserves an answer.

The other question asked by the hon. member was as to what report the minister can make with respect to what occurred at the conference held by the minister and Canadian officials with Mr. Berle of the United States which took place at Montreal.

Mr. HOWE: As far as the leak goes, no one knows how that occurred. The draft convention was prepared in Canada, was studied by the war committee of the cabinet, and was forwarded to the dominions office in the United Kingdom as a matter of information. That was the only circulation it had at the time. But a copy of it evidently came into the hands of an aviation daily, published in the United States. I have no opinion whatever as to the route by which the document came into the hands of that publication.

In reply to the second question as to what happened in the conversations with Mr. Berle and Mr. Warner, naturally I was a party to the conversations, and I cannot divulge any more than was released in the press statement mutually agreed upon. My hon. friend will understand that conversations of that kind are necessarily private, and that they were purely exploratory. We learned the views of the government of the United States; the government of the United States learned our views, and discussions were held in the direction of reconciling the views. That is all I can say.

Mr. GRAYDON: That I presume was an official conference between the officials of the civil aviation authorities in the United States and the civil aviation authorities here. I believe the minister said, in answer to a question of mine some time ago, that that conference between Berle and Warner and the minister and officials here was the counterpart of the conference held by Lord Beaverbrook with Berle during the last few weeks. I take it that this conference was the conference in which there was an exchange of views, an explanatory conference between Canada and the United States, and now there is the conference between Beaverbrook and Berle as representing Great Britain and the United States respectively. Then the previous conference in Great Britain between the minister and the United Kingdom officials was preparatory to that and these two that followed. I presume that is the sequence.

Mr. HOWE: I dislike the word "conference" in connection with any of them. They were described as conversations. The first was a conversation within the empire. These are conversations between the United States and two countries of the empire. I understand that the purpose is to have other discussions between other countries that will eventually be represented at a conference of all countries interested in world aviation.

Mr. GRAYDON: May I ask the minister one other question arising out of that. Has a procedure been arrived at between Canada and the other countries whereby these agreements will be subsequently made between various countries with Canada? By way of clarification, perhaps I should say this. Canada is apparently the first nation in the world to publish what she is prepared to do in the international air field. Is it proposed that the United Kingdom, other parts of the commonwealth, and the United States, and perhaps the Union of the Soviet Socialist Republics, shall do likewise to their people and to the world and then finally agreements will be made, or is Canada going to be alone in her experiment of publishing what she is prepared to do, while the other nations take an entirely different course?

Mr. HOWE: How can I possibly know what Soviet Russia or Britain or the United States will do in that direction? I can only say what Canada has done. I have no idea whether the others intend to publish their views or not.

Mr. GRAYDON: May I ask the minister this question, and it is important. The thing that concerned me when the publication was made was simply this—and I may be assuming too much. I wondered why Canada should be the first to make public what she is prepared to do. It is perhaps the first time that this has ever been done where international affairs are involved, and one reason why I asked the question was that I took it that this was agreed upon first at the empire conference in London. May I ask the minister this question —he shakes his head and negatives that suggestion. Then Canada, in making public her position and what she was prepared to do in the field of international civil aviation, did so without consultation or approval or consent of either the United States or Great Britain or any part of the commonwealth. I do not want the minister to take that as indicating that there was any disagreement, but in any event Canada acted on her own.

Mr. HOWE: Yes. I am surprised at the attitude now being taken. The hon. member for Lake Centre was demanding the government's policy on aviation. Now great surprise is expressed that we did bring down government policy in detail.

Mr. DIEFENBAKER: We have not found it out entirely yet.

Mr. HOWE: There is nothing strange about it. Canada prepared a policy for civil aviation, prepared as nothing but a Canadian proposal. It was prepared with the knowledge of the views of certain other countries, but was wholly Canadian. Canada could do what it liked with its policy. It did, as a matter of fact, place it on the *Hansard* of the Canadian parliament. There may be two schools of thought on that. Was that a good thing to do, or was it a bad thing? There can be two opinions on that, but it has been done, and knowing the interest it has created in all countries which are interested in aviation, perhaps it was a good thing to do. That would be my opinion at the moment.

Mr. GRAYDON: I should like to clear up this point with the minister. So far as getting the policy of Canada is concerned, I am quite certain that it was the proper thing for the government to enunciate its policy with respect to international civil aviation. We asked for it.

Mr. HOWE: Yes.

Mr. GRAYDON: We do not go back on that. All I am concerned about is this. Having done so, it seems to us that other nations perhaps might properly have done the same thing, to give us some idea of what they were proposing to do, as well as ourselves. I wish to ask the minister this question, and perhaps he may not want to answer it. Was the leak in the United States, which in part put on

the public record what Canada was prepared to do, a factor in the publication of the policy of the government of Canada, or had the government the intention of making public to the nations of the world their policy first before other nations had agreed upon theirs?

Mr. HOWE: I think that is hardly a fair question. The leak occurred and the government published the full document. Whether they would have done so anyway I can hardly say definitely.

Mr. GRAYDON: Was there any discussion at any of these conferences with respect to other nations publishing what they are proposing to do in the international field?

Mr. DIEFENBAKER: The minister said that it was I who asked for the revelation of the government's policy in reference to aviation, and I have no apology for having taken that stand. What we have been endeavouring to do during the period the matter has been under discussion has been to ascertain what the government policy is; but in one or two matters, while we have received a considerable number of answers, many of them have been so equivocal as not to convey the information asked for. Before I ask certain other questions, in order to clear away a misapprehension created by two statements made by the minister, I should like to ask him the question whether the convention which was placed on *Hansard* on March 17 was prepared before the Beaverbrook conference or consultation or conversation, whatever is the proper description, or whether it was prepared after the consultations that took place among the nations of the empire.

Mr. HOWE: I think that is hardly a fair question.

Mr. DIEFENBAKER: Well, Mr. Chairman—

Mr. HOWE: What do you mean—was it typed before or typed after?

Mr. DIEFENBAKER: That is the usual way the minister has of answering. Was it prepared before the Beaverbrook conference?

Mr. STIRLING: Was it born?

Mr. DIEFENBAKER: Was it born, the hon. member for Yale says, or was it conceived in the conference and born afterwards? That is what we are trying to find out, because it is very important that the committee—

Mr. HOWE: Suppose I say "yes" or "no." What difference does it make?

Mr. DIEFENBAKER: That is not what the minister is here for.

[Mr. Graydon]

Mr. HOWE: What is the hon. member here for?

Mr. DIEFENBAKER: The minister is here to give us information in regard to this problem. It is material to know whether this convention was a convention representing Canada's viewpoint as presented to the Beaverbrook conference, or whether it was a convention based on the understandings arrived at, generally speaking, at the conference. I ask him the categorical question.

Mr. HOWE: I suggest to my hon. friend that he assume that it was, and that it was not, and then expound both situations and tell us where he arrives.

Mr. DIEFENBAKER: The minister's attitude is not the attitude of a minister endeavouring to give information on events. That appears to be a continuing attitude shown by the minister toward members of this house and toward the country as a whole. I am asking him the categorical question as to whether or not the convention presented to the Beaverbrook conference is Canada's attitude? I am asking the minister that question, for at one time during this discussion he made one statement indicating that the convention represented Canada's view and was available at the Beaverbrook conference; and at another time he indicated that it was the consensus of the ideas of the various nations of the empire. Surely we have the right to know which is correct, or whether he was misunderstood. I ask the minister, was that convention Canada's stand before the Beaverbrook conference, and was it presented there as Canada's stand?

Mr. HOWE: In other words, you want to know the details of a private international conversation.

An hon. MEMBER: No.

Mr. DIEFENBAKER: One knows the answer now, and the answer is that this convention was the stand that Canada took before the conference. I ask the minister to challenge that statement if it is not true. I now ask the minister this question: was or was not Canada definitely opposed in this conference to an empire set-up?

Mr. HOWE: My hon. friend is building up the greatest piece of nonsense that I have ever heard in my life. I suggest he stop questioning me, make his speech and sit down, because I am not answering questions of that type.

Mr. DIEFENBAKER: That is the attitude that the minister has repeatedly taken in this house toward questioners. He speaks of nonsense, grousers, yappers of the maritimes, et cetera. He endeavours to treat members of

parliament the way he might treat those who are under him in corporations. That is not the attitude that begets cooperation.

Mr. HOWE: I am not looking for cooperation.

Mr. DIEFENBAKER: It is perfectly reasonable to—

Mr. HOWE: My hon. friend should understand that I am not looking for cooperation.

Mr. DIEFENBAKER: The minister says he is not looking for cooperation, but we are looking for information. The minister made a statement, and I am going to get answers to these questions which the people have a right to have answered. When I asked the minister this question in regard to an empire set-up last evening, he said:

> Few countries would wish to be a minority shareholder in an international air line.

He did not directly say that an empire scheme had not been considered, nor would he say what the attitude of Canada was. This matter is one of the most important matters to come before this committee in so far as the future of the empire is concerned, and the people of Canada have a right to know what stand the government has taken with regard to this matter, binding as it will be on the people of Canada. We often hear it said in the House of Commons that there should be no reference to the empire, no flag-waving, as they call it. This is what Mr. Churchill said to-day in the British House of Commons amid cheers:

> In a world of confusion and ruin the old flag flies.

Then he went on to point out the necessity for cooperation in this empire. One sometimes wonders whether we are arriving at a position in this country where it is not considered the proper thing to express pride in the empire and its future. To those I would answer that this is what Mr. Churchill said to-day in the British House of Commons:

> Methods must be devised without haste to bring the nations of the British empire into intimate and secret council on world events not only during this war—because that is being done with great labour and efficiency—but after the war so that they will know fully our position and we know theirs in regard to the march of events and action which might have to come from them.

We ask a minister of the crown what stand the government of Canada takes in reference to an empire scheme, and the answer is one of contemptuous words. This is a serious matter, Mr. Chairman. We have endeavoured to place our viewpoint before the country and before the government—

Mr. HOWE: Tell us your viewpoint in a very few words.

Mr. DIEFENBAKER: I asked a brief question and I did not get any answer. The question was perfectly pertinent. We endeavour to find out whether or not the government's attitude in this empire conference was one of cooperation after the war, and the answer we get is to the effect that—well, we are not going to be given an answer. We have a right to an unequivocal statement from the minister as to whether or not the matter of empire connections, future communications in the empire in a world-embracing air scheme were favoured or condemned by the representatives of the people of Canada at that conference. There must have been some discussion and yet we have no information on it. I find the following appearing in the Australia-New Zealand agreement of 1944:

> In the event of failure to obtain a satisfactory international agreement to establish and govern the use of international air trunk routes the two governments will support a system of air trunk routes controlled and operated by governments of the British commonwealth of nations under government ownership.

I ask the minister, what did take place in this regard at the Beaverbrook conference? Did Canada take a position different from that of Australia and New Zealand, the United Kingdom and South Africa? Did she oppose a set-up within the empire, not excluding the international set-up, which will be necessary? Did she take the attitude she would not participate in a system of inter-empire trunk lines? These are matters upon which we as representatives of the people of Canada have a right to receive information. We cannot force the minister to give the information. All we can do is, as representatives of the people of Canada, to ask him whether one stand or the other was taken before that conference. The press reported that Canada was opposed in certain particulars to the stand taken by other dominions.

Mr. HOWE: What press?

Mr. DIEFENBAKER: I referred to it last evening, and quoted it.

Mr. HOWE: What press? A United States journalist, was it not, writing from Washington?

Mr. DIEFENBAKER: I referred to it in detail last evening, and the minister heard what I had to say.

Mr. HOWE: *Time* magazine, was it not?

Mr. DIEFENBAKER: If the minister could just refrain from interruptions! If he has a question to ask I will answer him, if I can.

Mr. HOWE: I was asking the hon. member what publication he was quoting from.

Mr. DIEFENBAKER: I gave the quotation last evening, and the authority, and there was no challenge from the minister.

Mr. HOWE: Give it again.

Mr. DIEFENBAKER: The minister was present then and I have not it before me at the moment, but the reference is in *Hansard*, and no doubt the minister knows it. I ask him this: Did Australia and New Zealand and South Africa and the United Kingdom ask for consideration of an empire scheme? Did the minister representing Canada refuse to cooperate in such a scheme?

Mr. HOWE: What did the press statement at the conference say? What did Lord Beaverbrook say?

Mr. DIEFENBAKER: Mr. Chairman, Lord Beaverbrook is not in this house. I am asking the minister in charge of the department.

Mr. HOWE: I will give the hon. member the same answer as he gave me. My remarks are on *Hansard*. I once said that if my hon. friend would read more and talk less he would be much more accurate.

Mr. DIEFENBAKER: If the minister would refrain from statements which are so loose as to be equivocal, there would not be any difficulty in passing these estimates. I am asking the minister a question which he can answer unequivocally, and it will be accepted. But the people of Canada have a right to that answer; they have the right to know what attitude the government is taking in reference to this very important matter, which concerns the future of this empire; and I ask the minister to elucidate it, and give us an answer.

Mr. HOWE: Question.

An hon. MEMBER: Carried.

Mr. DIEFENBAKER: No.

Mr. GRAYDON: Mr. Chairman—

The CHAIRMAN: The hon. member for Macleod has the floor.

Mr. HANSELL: If the leader of the opposition is calling on the minister—

Mr. GRAYDON: I am, for the moment.

Mr. HANSELL: Very well; I yield.

Mr. GRAYDON: I want to say to the minister that I do not think he has been quite frank with the hon. member for Lake Centre.

[Mr. Diefenbaker.]

Mr. HOWE: Let me ask my hon. friend this question.

Mr. GRAYDON: I do not want my hon. friend to get up while I am speaking.

Mr. HOWE: I merely want to ask him one question, which will save a great deal of time.

Mr. GRAYDON: The minister is not to ask me a question, because I want to ask him a question. I want him to sit down, because, after all, I have the floor. There is no reason why the minister and I should be at cross-purposes.

Mr. HOWE: After the hon. member has spoken I have something to say, but I am in no hurry.

Mr. GRAYDON: This is another example of the attitude of a minister who said he did not want cooperation, and it is, in my opinion, one way in which it will be very difficult to get it. I am prepared to give the minister cooperation with respect to this matter, but I want him to answer frankly the questions which were propounded to him by the hon. member for Lake Centre. He sits in his seat and dodges the issue—if you want to put it in such terms as that—and then attempts to cross-examine those who are attempting to question him. That is not the way a minister should give information on these questions. It seemed to me, sitting here and listening to the debate which took place and the questioning of the minister, that there was not much reason why the minister could not give information to the hon. member for Lake Centre with respect to these very simple inquiries. As the minister knows, the hon. member asked what was the exact position of this government with respect to an inter-empire aviation scheme. Why should the public and the committee be left so delightfully in the dark, by the minister simply refusing to answer? The minister knows my feelings are kindly toward him in connection with the matter, as are those of the hon. member for Lake Centre, but we should like to have the information. It is not a question of putting the minister on the spot. That, I think, is a despicable thing to suggest. We should like to have the information, and I myself am going to ask, in support of what the hon. member for Lake Centre has said, that that information be given by the minister. If he refuses, that, of course, will be his responsibility.

Mr. HOWE: I might say to hon. gentlemen opposite that it is the custom in an international conference of official representatives of governments to unite on a statement of procedure which is agreed to by all governments, and published. It is then quite

improper for any member of that conference to issue information about the conference which has not been agreed to by the other members. I would expect my hon. friend to know that. That is one other reason why we should like to see in the house his extra-mural leader, who is familiar with the practice of conferences. Perhaps I have given the reason why I cannot disclose the contents of an international conference beyond the point that those present agreed to disclose the information.

The CHAIRMAN: Is the item carried?

Mr. DIEFENBAKER: No. Mr. Chairman—

The CHAIRMAN: Order. The hon. member for Macleod has the floor.

Mr. HANSELL: I do not want to interrupt the continuity of an argument.

The CHAIRMAN: If the hon. member takes his seat, he yields to the hon. member for Lake Centre.

Mr. HANSELL: I do not want to take a lot of time. I spoke on this matter once last night. Some hon. members have spoken on it several times. But just for a minute or two I should like to ask a question or two with respect to some remarks which were made last evening.

Yesterday afternoon the hon. member for Vegreville spoke in terms of a loyal British subject, and with respect to the present international air agreement indicated that he was alarmed lest some of the sovereign rights of the people of Canada should be sold out to some international body. I followed last evening and pursued a similar line with some additional remarks. When the Minister of Munitions and Supply answered our speeches he said something to the effect that the foreign policy of our party was like the old Conservative British imperialism. I do not know exactly what he means by that. I am not posing as a profound student of political history, but I know that embodied in the British crown are the great principles of freedom, justice, righteousness and equity, and it is British policy that wherever the British flag flies those principles should be adhered to.

Mr. GILLIS: But never have.

Mr. HANSELL: I admit, of course, that in the very weakened democracy and under the very weakened leadership of that democracy which we have had, a good many injustices have been done; nevertheless it is not the fault of those great principles for which the British empire stands. If by adhering to such principles as the love of freedom, justice, equity and righteousness we must be labelled with a tag called "British imperialist," we cannot help it. I have sent for the dictionary—by the way, a dictionary is a good thing to consult once in a while—and I find that "imperialism" means the rule of an emperor. I do not think any one will doubt we have a king. Then there is the further definition: "Extension of British empire where trade requires protection of the flag." It is a great British tradition, that wherever the flag flies there must be liberty and freedom of mankind. I ask the minister if he believes that? If he does, then, according to the dictionary, he must be an imperialist.

Mr. GRAYDON: He cannot be C.C.F., too.

Mr. HANSELL: The leader of the opposition may have something there. Then, with regard to "imperialist" the dictionary says, "Adhering to an emperor." I should like to know if the Minister of Munitions and Supply is adhering to the King of England, Great Britain and the Dominions beyond the seas?

The CHAIRMAN: The chair must rule against bringing into the discussion in the House of Commons the name of the king or any member of the royal family.

Mr. HANSELL: I did not think the rule applied to the mere mention of His Majesty. However, I do not need to go farther in that respect. I believe the minister is just as loyal to the crown as we are. I have no doubt about that, and I do not relish at all his flinging some term across the floor which is designed to discredit the Social Credit group, when we are only trying to be loyal to some of those great principles of British democracy. I shall not deal with that farther.

I cannot quite understand why there has been all the hurry in signing international agreements of this kind. It seems to me there must be some vying for position, while the world is in a turmoil. It would seem that somebody somewhere wants to get in on the ground floor. There is a war going on, and we do not know when peace will come, although we hope it may come soon. But the invasion of Europe is not even started, and it is anybody's guess when the war will end. It is also anybody's guess what kind of peace table we shall have, or whether we shall have a peace table. Yet, while the war is in this state, nations gather together and begin signing agreements with regard to post-war air routes.

We do not know what the outcome of the war will be, in all its details. We know, of course, that we are going to win, because we will fight until we do win. But we do not know what the alignment of nations will

be after the war is over. Italy is on our side only because she is in process of being conquered. There was a time when she was not with us. There was a time, too, when Russia had an agreement with Germany, and that was at a time when we were fighting Germany. The alignment of nations has changed since then, and we do not know what changes will take place before ultimate peace comes to the earth. The whole picture may be changed.

Yet the Canadian government has to rush somewhere to bring about an agreement concerning which the people of Canada know very little. I do not wish to be too suspicious, but there is a feeling in Canada that there is something underlying these actions, and the way they are done. What difference would it have made, or what difference could it possibly make if this whole thing were deferred until peace comes, and the nations settle down to a better understanding? Would there be any harm in waiting until after the war? Would it alter our position at all?

Mr. HOWE: There will be an awkward situation at the end of the war, if no international agreement is in effect. The air lines of various nations are flying over the world to-day in a manner which is suitable in a time of war, but which would involve great difficulties in peace time. For instance, British Overseas Airways maintain a military service flying around the world, over a great many countries. For that service Great Britain has no peace-time air convention. The United States flies to almost every section of the world. Canada operates a war-time service across the Atlantic, for which it has no peace-time franchise. To sort out these various services, so as not to cut off air communication entirely, requires an elaborate system of agreements. I believe it is highly desirable that, if possible, a comprehensive agreement be evolved before the end of the war, or before the termination of war-time aviation agreements.

For example, aircraft flying across Canada are operating under a permit for the duration of the war, and six months thereafter. At the end of that time Canada will be hard put to it to deal with the situation, unless agreements have been arrived at. There seems to be the suggestion that this draft agreement is ready for signing. I suggest that it is a long way from that stage. Preliminary negotiations are in progress, and I think one would be very optimistic indeed if he believed that these negotiations would not extend over several months. I feel we are not starting too soon to discuss this very important problem.

[Mr. Hansell.]

Mr. GILLIS: I had really wished to ask the minister something respecting the future of present airports in the field of civil aviation. However, I have sat here for the past eight days and listened to this discussion, pro and con, and I have heard some members make almost the same speech on at least four different occasions. To-night I heard one man read into the record about forty minutes of talk that I have heard nine times since I came to this house—and it had very little bearing on the question before the committee.

When the hon. member for Macleod said last night that he was going to talk on something he knew nothing about, I believe what he said might be applied to practically everyone I have heard discuss this question, including myself. I shall not attempt to discuss the matter in all its details. However, I agree with the position taken by the hon. member for Rosetown-Biggar, when he states that if we are to achieve the objectives for which we are fighting, then there must be some international understanding with those people we term our allies in the fighting of the war. I agree with the position taken by the minister in trying to arrive at some understanding as to the future of aviation. Anyone reading the press, for the past eighteen months particularly, must be aware that those who have been in favoured positions for the last fifty years, those who have held imperialistic views and have controlled the cartels which have controlled production throughout the world, those who have controlled the machine which has strangled the world for the past fifty years, that small group in Great Britain and the United States, that powerful group which has had a monopoly of everything in the past have been endeavouring to achieve the same monopolistic position in regard to our airways.

I think the minister was well advised to have this tentative agreement drafted in such a way as to attempt to protect the rights of the people of Canada. I think this is the first step that has been taken in connection with any industry to protect the future of the people of this country. An effort has been made to protect this industry from those who were slowly but surely getting hold of it. The Canadian Pacific Railway were quite prepared to take over all airports and meteorological services. The complete development was carried on by the government with the taxpayers' money; the job of organization was done and the job of exploitation was about to begin.

The hon. member for Macleod and others have expressed their own opinions, but I think they are confused when they believe that the rights of the people of Canada are being given away under this agreement. For the

first time our rights are being protected. I hope the time has passed when somebody in the United States or Great Britain can draft an agreement and bring it to Canada and have it accepted. I think this agreement is a step in the right direction. I am not going to say that I will agree with the minister or the government as to the manner in which this is to be put into operation. I am sceptical of some of the people who are behind the scenes or who will be in responsible positions when the organization is completed.

The hon. member for Lake Centre quoted a statement made by Mr. Churchill in the British House of Commons to the effect that in the midst of a confused world the flag still flies. The world is not so confused to-day. For the first time in some time the road ahead is beginning to look somewhat clear. Lines are being sharpened. World imperialism plunged us into the war, but the picture is becoming clearer. The peoples of the world who have been reading and thinking and hoping for a break in monopolistic imperialism see a much clearer picture to-day. We are not disagreeing with the fact that the flag stands for many great principles, but those principles have never been implemented. If this group is given the opportunity we intend to see that the principles for which the flag stands are fully implemented, something that has not been done, at least in my lifetime.

In spite of all the confusion that seems to exist about the action that is to be taken, may I say to the minister that I think he is on the right road. He should stick to his guns. I hope he will be realistic in the national picture when it comes to taking complete control of aviation in the future and will give due regard to seeing that the men and women who are to carry out the administration of this policy do it in the interests of the Canadian people.

I should like to ask a question about the use that will be made of our airports in the future. Many of these airports were established by small community groups and the local people have some equity in them. Many of these fields were taken over for military purposes, although I do not know whether they were bought outright or leased. They have been greatly extended and are in a position to do an important job in future aviation. I am wondering what will happen to the equity which these local groups had in the air fields prior to their being taken over. Will these local groups be compensated for the investment they have made?

Mr. HOWE: The municipal air fields were leased to the Department of Transport for $1 a year, under an agreement which provides that the department would become responsible for the operation of the airports, and for any capital expenditures required to fit them for war purposes. The ownership of the airports still rests with the municipalities. Such extensions as have been made will revert to the municipalities when the present arrangement is cancelled, unless some other disposal is decided upon by agreement. The ownership has never been disturbed. I presume the leases will be brought to an end and the properties again operated by the municipalities. There is always the possibility that by agreement with a number of municipalities a different policy may be adopted, but at the moment nothing has been done toward that end.

Mr. STIRLING: If I understand him aright, the minister takes the position that since he was Canada's representative at a set of conversations in London last October, and since a press statement was issued at the end of those conversations, he cannot go behind that statement or amplify it. That would appear to me to be a perfectly tenable position. A statement was made in a responsible United States newspaper, which was referred to by the hon. member for Lake Centre, to the effect that Canada's position was said to have differed from that of England, New Zealand and Australia; that the mother country and those two dominions share a common view. Since that statement has been made we should like to know whether or not it is accurate. If the minister takes the view that because of the position he occupied he cannot go behind the statement which was issued, that is a tenable position and we must be content with that.

Mr. HOWE: May I say that the official statement of the conference as well as the statement made by Lord Beaverbrook in the House of Lords on behalf of the British government, would make it quite impossible that the statement referred to, which I understand is taken from a United States publication not greatly noted for being reliable—

Mr. STIRLING: Oh, yes; it is a Washington dispatch in the New York *Times*.

Mr. HOWE: I thought the hon. member said it was from *Time*. Nevertheless the New York *Times* was not represented at the conference, and those who prepared the press statement, and Lord Beaverbrook, were there. Therefore I think my hon. friend would be well advised to accept the official statement and the statement of Lord Beaverbrook.

Mr. STIRLING: Would the minister place on some phrases that he used the same interpretation that I did? I listened to these sentences when the minister uttered them and

was not at all sure whether I got his meaning. At the bottom of page 2193 of *Hansard* of yesterday he said:

> Canada is active in that direction. It must be recognized that no group of small countries can have any great influence on the final outcome. I think we must question the wisdom of attempting to group the small countries together as a bloc to go into a conference of that kind.

When he made that statement I wondered whether that to a considerable extent explained the position which the government takes with regard to the empire attitude. Is he there referring to small countries, Canada being one of them, the other commonwealth nations of the empire being others, including the United Kingdom, and does he question the value of those nations coming together for discussions in the hope of arriving at a common policy? Does he question the wisdom of that being done on the eve of a consideration and conversations which will be undertaken by a far larger number than the nations of the commonwealth?

Mr. HOWE: What does my hon. friend think? If he will read back a little he will find that I was referring to a suggestion that came from his left, that Canada should join with other small countries. That had nothing to do with the empire. My hon. friend, I am sure, cannot be serious in suggesting that I considered Britain a small country or Canada a small country. I assume that this is a serious discussion, and I think my hon. friend should ask serious questions.

Mr. STIRLING: My question was most serious. I listened to the minister with great attention yesterday.

Mr. HOWE: I hope I have definitely cleared my hon. friend's mind on that point.

Mr. STIRLING: Right.

Mr. CASTLEDEN: Were the possibilities of expansion into long runway airports taken into consideration when choosing the sites for the original airports in the commonwealth air training scheme when it was started in Canada?

Mr. HOWE: We thought of everything, yes.

Mr. CASTLEDEN: Some of them will be rather queer long runways.

Item agreed to.

3. Civil aviation: Canadian government trans-atlantic air service, $400,000.

Mr. DIEFENBAKER: I would ask the minister with regard to the matter of the chosen instrument. He has told us in his statement that he and the government believe in a chosen instrument to operate the international air lines, and I presume they will be founded on the basis of the present trans-Atlantic air lines. Is it the government's intention to have transoceanic air lines operated on a round-the-world basis or on a regional basis?

Mr. HOWE: That is a difficult question. Would my hon. friend elucidate what he means by a round-the-world basis?

Mr. DIEFENBAKER: I mean a world basis. What is the basis of Canada's post-war international air service to be? Is it to be on a regional basis whereby Canada will operate air lines in only certain parts of the world, or is it to be on a world basis?

Mr. HOWE: If my hon. friend wants a categorical answer to his question I shall have to ask him to elucidate a little more. What does he mean by an aeroplane operating on a round-the-world basis and one operating on a regional basis?

Mr. DIEFENBAKER: Well, Mr. Chairman, all I have to say is this, that the Canadian government has decided on a system of the chosen instrument and intends to operate international air services. My question is are these international air services to be operated on a regional basis?

Mr. HOWE: Just what is a regional basis? Where do we go when on a regional basis?

Mr. DIEFENBAKER: Just a minute. This is one question on which I am going to get a categorical answer. Are these international air services to be operated on a regional basis whereby certain areas will be allocated to Canada under international agreement, or does Canada intend to operate air services in all parts of the world on a transoceanic system? Under present conditions the situation in Great Britain is that she has a chosen instrument. Canada has taken a stand in favour of that policy. The United States has not a chosen instrument policy. The importance of this question arises in connection with the question whether we in Canada can operate international air services on a transoceanic basis, whether we have the necessary ability to do it unless we operate within an empire or some other international system. I am endeavouring to ascertain from the minister what the plans are with respect to air transport on a world basis.

Mr. HOWE: I may be overoptimistic, but I think Canada has the ability to do whatever any other country can do. We are operating across the Atlantic at the present time. I do not know whether that is on a regional or on a round-the-world basis. I am still

mystified by my hon. friend's terms. Would he say that across the Atlantic would be on a round-the-world or on a regional basis?

Mr. DIEFENBAKER: Facetiousness is never an answer, even from a minister.

Mr. HOWE: Really, I am not trying to be facetious. Regional is an odd expression. We expect to operate across the Atlantic and we hope to operate across other oceans.

Mr. DIEFENBAKER: Across the Pacific?

Mr. HOWE: We hope to, yes, and we hope to operate into the south Atlantic. I do not know whether such operations would be round-the-world or regional. Perhaps my hon. friend would know. Perhaps he will be satisfied with that explanation.

Item agreed to.

DEPARTMENT OF NATIONAL WAR SERVICES

Departmental administration, $90,907.

Mr. MacINNIS: Is the minister going to follow the example of the other ministers and make a statement before there is a general discussion of the item?

The CHAIRMAN: I believe it is the feeling of the committee that there should be a general discussion first.

Hon. L. R. LaFLECHE (Minister of National War Services): The same question was put to me last year, and I then said that I did not intend to make a general statement but that I would give any information required as we came to the particular votes. The Department of National War Services is not organized to do any one particular thing but to do a considerable number of different things. I suggest to hon. members that they can obtain information more readily by dealing with each item separately. The item that you have just called, sir, is a normal item. It is slightly lower than it was last year. It is a few hundred dollars less than the equivalent vote for the fiscal year ending March 1, 1944.

Mr. CASTLEDEN: Would the minister explain the increase of $5,000,000 under auxiliary services?

Mr. LaFLECHE: I shall be pleased to do so when we come to it. At the moment we are on the $90,000 item.

Mr. COLDWELL: That is administration?

Mr. LaFLECHE: Yes.

Mr. COLDWELL: I do not know whether the minister expects us to discuss the work of the department generally under this item or to take each item as we come to it. I think it would be more satisfactory if we had a discussion of the work of the department as we usually have at this particular stage. It is unfortunate that the minister is not prepared to make a general statement regarding the work of his department. Can he tell us just what the organization of the department is, how it is organized as compared with other new departments? It is a war department. Last year we did not get a general statement nor did we have a general discussion, and I would appreciate it if we knew what this department comprises, what its functions are, and if we could get some general information about it before going into the items.

Mr. LaFLECHE: Yes, but I would repeat that I had thought of doing this year as was done last year. I may remind the committee that lengthy statements about the department were made in previous years. During the last fiscal year the department has grown to some extent, there being now nearly 300 more employees in it than in the previous year.

Mr. COLDWELL: What is the total number of employees?

Mr. LaFLECHE: About 1,300. There are a number of departmental activities, and they are very well set out under the separate votes given in *Hansard* of February 11, 1944—War Charities Act, salvage, the civilian Canadian fire-fighters overseas, the committee on co-operation in Canadian citizenship, censorship with its subheadings, information and records branch, postal censorship, censorship of publications, telegraph and cable. There is an item here for the short-wave station of the Canadian Broadcasting Corporation which is under construction at Sackville, New Brunswick. This is nothing new; it is merely to carry on.

Mr. GRAYDON: When does the minister expect that to be finished?

Mr. LaFLECHE: I replied to a question in the house about a month ago. The officials of the Canadian Broadcasting Corporation then told me that the buildings would be completed next month as a matter of fact, in May, and also that they hoped to be able to use the new short-wave station at Sackville late in this coming fall. There had been a delay, but it was an anticipated delay, the trouble being in getting the required equipment from the manufacturers. The delay itself was caused by the difficulty in getting favourable priorities over other war requirements. On that point I am quite satisfied that the officials of the Canadian Broadcasting Corporation have done excellent work in going after priorities. There will still be a delay of

perhaps four months over the opening date as originally anticipated, or as anticipated last year at least. I think they have cut that by two or even three months. Then there is the national film board, and we have the women's voluntary services, the government economies control, and the next-of-kin of prisoners of war branch of my department. I am only too happy to meet the pleasure of hon. members in attempting to give information, but I shall take the liberty of saying again that I think the best way to get information concerning my department is to take it up by sections such as represented in *Hansard*, pages 397 and 398, because we deal with such a large variety of matters between which there is no possible similarity.

Mr. COLDWELL: I was going to ask the minister under which item the discussion will come in regard to educational services.

Mr. LaFLECHE: Under the next, auxiliary services. That is a large amount, $12,000,000.

Mr. COLDWELL: On Monday, or when we take this up again, perhaps the minister will be prepared to tell us something about the auxiliary educational services. I believe that this is one of the best things being done in connection with our war services at the present time, and I should be glad if the minister could give the committee a detailed story of what is being done in regard to both prisoners of war and our own young men overseas. It would be a good thing for the country and the house to get a complete picture.

Mr. LaFLECHE: I shall be pleased to do so, and I thank the hon. member for suggesting it. I think there is a nice story to tell.

Progress reported.

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

Monday, April 24, 1944

The house met at three o'clock.

ALBERTA PROVINCIAL BANK

MOTION FOR REFERENCE TO STANDING ORDERS COMMITTEE OF PETITION FOR INCORPORATION

Mr. J. H. BLACKMORE (Lethbridge): On Thursday last I made a motion respecting the incorporation of the Alberta Provincial Bank. The Prime Minister suggested that I allow it to stand until another day. I now beg leave to move once more, seconded by Mr. Jaques:

That,—

(1) The petition of Ernest C. Manning and others, of Edmonton, Alberta, presented on March 29, 1944, praying for the passing of an act to incorporate the Alberta Provincial Bank;

(2) The report of the clerk of petitions on the said petition; and

(3) The private bill deposited with the Clerk of the House on April 17, 1944, based on the said petition;

be referred to the standing committee on standing orders to consider the suspension of,—

(a) Standing order 92 (late presentation of the petition);

(b) Standing order 93 (1) (late depositing of the bill); and

(c) Standing order 93 (3) (a) and (c) (consequential penalty charges).

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

PRICES—LIVE STOCK

Mr. GERSHAW:

1. What board or department of government is responsible for maintaining a fair price on live stock, particularly cattle, sheep and lambs?

2. How is this being done, and what basis is used in relating the value of live animals to the dressed meat prices?

Mr. GARDINER:

1. The Department of Agriculture provides a support price for live stock through the operations of the meat board in purchasing meat for export to the United Kingdom.

2. The meat board purchases lamb carcasses and all better qualities of beef suitable for rationing in either carcass or boneless form and lower qualities of beef in boneless form for manufacturing purposes, at established floor prices. The purchase of surplus beef and lamb for export to the United Kingdom provides a support price for live stock in the same manner as the purchase of bacon for export provides a support for hog prices. The price of live cattle and lambs in relation to the floor price paid for beef and lamb purchased by the board is entirely dependent upon the dressing percentage and the quality of live animals slaughtered.

FLOOR PRICES ON BEEF

Mr. SENN:

1. Has a floor price been placed on beef by the government or any department thereof?

2. If so, when did it come into effect?

3. When was the decision announced?

4. What price has been set for the different grades of beef?

Mr. GARDINER:

1. Yes.

2. For the period May 27, 1943 to August 14, 1943, with successive seasonal adjustments thereafter.

3. On or about June 7, 1943.

4. Floor prices were established in relation to ceiling prices, in the various W.P.T.B. meat zones, and for the various qualities of beef (special, commercial, plain, cutter, cow and bull) as follows:

May 27, 1943 to August 14, 1943, .25 below the ceiling.

August 16, 1943 to September 18, 1943, $1 below the ceiling.

September 20, 1943, to December 18, 1943, $2.25 below the ceiling.

December 20, 1943, to February 5, 1944, $1.75 below the ceiling.

February 7, 1944, to March 18, 1944, $1.25 below the ceiling.

March 20, 1944, to April 22, 1944, .75 below the ceiling.

April 24, 1944, to August 14, 1944, .25 below the ceiling.

ALLOTMENT OF CARS TO LINE ELEVATORS

Mr. COLDWELL:

1. Are cars allotted to elevators for shipment of grain based on 1939-40 handling?

2. What amount of grain did the line elevator companies handle at Craik, Saskatchewan, in 1939-40?

3. What amount of grain did the pool elevator handle at Craik, Saskatchewan, in 1939-40?

4. How many cars have been allotted to line elevator companies at Craik, Saskatchewan, between August 15, 1943, to April 1, 1944?

Mr. MacKINNON (Edmonton West):

1. No. Cars for the shipment of wheat from the majority of shipping stations have, since October 23, 1943, been authorized in accordance with the percentage of business the various elevator companies at each station handled during the crop seasons 1938-39 and 1939-40 combined. At stations where some of the elevators were closed, part or all of these seasons, it was not considered equitable to put this basis into effect and it was necessary for the board to work out some more satisfactory plan.

2. 256,910 bushels net.

3. 440,340 bushels net.

4. 181 cars of wheat authorized for shipment.

PRAIRIE FARM ASSISTANCE—PAYMENTS SINCE 1939

Mr. FAIR:

1. What amount was paid as bonus to farmers in each of the prairie provinces since 1939 under the prairie farm assistance, prairie farm income and wheat acreage reduction bonuses?

2. What was the cost of administration of each bonus each year?

Mr. GARDINER:

1. Bonus payments (to February 29, 1944):

	Manitoba	Saskatchewan	Alberta
Prairie Farm Assistance	$1,557,795 56	$27,130,035 69	$6,375,391 42
Prairie Farm Income	2,992,508 72	10,320,762 39	5,680,521 17
Wheat Acreage Reduction	12,046,450 48	44,949,725 74	24,021,402 24

2. Administration costs:

	Prairie Farm Assistance	Wheat Acreage Reduction
1939-40	$266,595 62	....
1940-41	346,764 89	....
1941-42	422,459 67	$ 979,535 05
1942-43	197,927 92†	1,342,230 06
1943-44 (to Feb. 29, 1944)	205,794 37	763,413 20

†Incurred in investigation of claims carried over from 1941 and in inspection of 1942 crop.

Prairie farm income administrative costs are included in the above figures for P.F.A. and W.A.R. administration.

WOOL SUBSIDIES

Mr. REID:

1. Is any subsidy being paid by the government for the production of wool?

2. If so, what subsidy is being paid wool growers in the various provinces?

3. What provinces, if any, have not accepted any subsidy offered the wool growers by the dominion government?

4. What amounts of money have the wool growers received in each province during 1943?

Mr. GARDINER:

1. No subsidy is paid by the government for the production of wool. Under authority of order in council P.C. 1/2519 of 29th March, 1943, however, the dominion government was authorized to reimburse any provincial govern-

ment one-half of any bonus (the dominion government's share not to exceed 2 cents a pound) paid by the provincial government on wool of the 1943 clip, delivered to registered wool warehouses and prepared in accordance with specified standards of cleanliness. Under order in council P.C. 2/1000 of 18th February, 1944, a similar arrangement is authorized for the wool of the 1944 clip.

2. The bonus paid for the 1943 clip by those provinces participating was 4 cents a pound. No definite information is available as to the rate of bonus which provincial governments will pay in regard to the 1944 clip.

3. 1943 wool clip—British Columbia and Manitoba did not participate. 1944 wool clip —British Columbia and Manitoba have intimated they will not participate; Alberta and Saskatchewan have the matter under consideration; other provinces have indicated they will participate.

4. Prince Edward Island, $990.28; Nova Scotia, $8,197.36; New Brunswick, $641.16; Quebec, $3,406.12; Ontario, $109,293.10; Saskatchewan, claim not yet received; Alberta, claim not yet received.

QUEBEC HYDRO

Mr. DORION:

1. Has the government of the province of Quebec obtained from the wartime prices and trade board a permit to operate an industry in the province of Quebec called the Quebec Hydro?

2. If so, when was such permit obtained, and by whom was it issued?

Mr. ILSLEY:

1 and 2. No. Under section 11, subsection (b) of wartime prices and trade board order No. 284, respecting commencement, acquisition and expansion of business, a permit is not required by any undertaking operated by or on behalf of the government of the dominion or any province of Canada or by or on behalf of any agency thereof.

TROOPS RETURNING FROM OVERSEAS

Mr. CHURCH:

1. What is being done within Canada to notify in advance next-of-kin of the arrival home of wounded soldiers and those on leave from overseas?

2. Will some change be made in the "troop movement rule" now existing to enable next-of-kin to meet them at the station on arrival home, as in the last war?

3. Are arrangements being considered for the loan of military bands at depot, and any available motor vehicles to aid civil power taking them home on arrival?

[Mr. Gardiner.]

Mr. MACDONALD (Halifax): Answers which I think will be found satisfactory by the hon. member for Broadview were given by the Minister of National Defence (Mr. Ralston) in answer to questions asked by the leader of the opposition (Mr. Graydon). Those answers will be found at pages 2181 and 2233 of *Hansard* for this year. I would ask that the question stand in order that the hon. member may look at these references to see whether or not they sufficiently answer his questions.

Question stands.

PUBLIC SERVICE—LADY INVESTIGATOR IN OTTAWA

Mr. LACOMBE:

1. At the present time, does a certain lady visit employees of the federal government during their working hours, in the city of Ottawa, and is she holding an investigation with regard to such employees?

2. If so, who is this lady, and who gave her authority to make such investigation?

3. For what purpose is the lady engaged in such investigation?

Mr. McLARTY: I believe this question will have to be clarified before it will be possible to answer it. A number of ladies are employed in investigating working conditions, in regard to reclassifications, and so on; and the way the question is drawn at the moment it would be impossible to answer it. I suggest that the question be dropped and that the hon. member for Laval-Two Mountains may wish to frame another question which will better serve his purpose, and clarify the particular information he requests.

Question dropped.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CANADIAN VICKERS LIMITED

Mr. BOUCHER:

1. Is the Canadian Vickers plant in Montreal, at which the Douglas D.C. 4 is to be produced, owned by the government of Canada?

2. What is the amount of the total investment of the government of Canada in Canadian Vickers Limited of Montreal?

3. Is there any person or company holding any interest, by capital investment, mortgage loan or otherwise, in the Canadian Vickers Limited, other than the government of Canada?

4. What is the name of each member of the board of directors of the Canadian Vickers Limited, and by whom were they appointed?

CIVIL SERVICE—CERTIFICATES OF APPOINTMENT TO MEN OF MILITARY AGE AND FITNESS

Mr. DUBOIS:

1. Have any temporary or permanent certificates of appointment been issued by the civil service commission to men of military age and fit for military service for employment in the public service since the passing of order in council P.C. 4759 on June 27, 1941, to March 31, 1944?

2. If so, what are, (a) the names of the appointees; (b) details of the position appointed to; (c) dates and reasons for such appointments?

BELL TELEPHONE COMPANY

Mr. NICHOLSON:

What is the total amount which has been paid to the Bell Telephone Company of Canada by the dominion government since the outbreak of war?

OTTAWA PUBLIC BUILDINGS

Mr. FRASER (Peterborough West):

1. Did the government buy any buildings in Ottawa since January 1, 1943?

2. If so, what buildings?

3. What was the purchase price?

4. Did the government build any buildings in Ottawa since January 1, 1943?

5. If so, what buildings did they build?

6. How much did each cost?

FUEL WOOD

Mr. DIEFENBAKER:

1. Did the government, through the wood fuel controller, or any other official, issue a directive to any pulpwood operators in Ontario to cut fuel wood in the spring and summer of 1943?

2. If so, on what date was such a directive issued?

3. To how many persons or firms was such directive issued?

4. Were contracts entered into with the companies or persons indicated above?

5. Were meetings held at the lakehead by the wood fuel controller in May or June, 1943, to discuss wood fuel production?

6. If so, were records kept of the meeting?

7. What representations were made by person or persons attending these meetings, regarding the advisability of continuing to cut pulpwood, and as to the feasibility of supplying fuel wood shortage during the winter of 1943-44 out of pulpwood stocks?

8. Did the wood fuel controller make any report, finding or order that if necessary pulpwood could be diverted to use as fuel wood in case of need?

9. Did any official of the government make a report to the wood fuel controller on the lakehead fuel wood operations during the spring or summer of 1943?

10. If so, what action was taken in respect to his recommendations?

11. How many cords of fuel wood were produced at the lakehead in Ontario under these special contracts?

12. How many cords have been shipped from there to, (a) points in the Ottawa valley; (b) points in Manitoba?

13. What were the freight charges per cord of wood on the wood shipped to, (a) points in the Ottawa valley; (b) points in Manitoba?

14. How many cords, if any, were shipped to points in Ontario?

15. Was any of the fuel wood shipped to Manitoba used for purposes other than fuel wood?

16. To whom was fuel wood shipped from the lakehead to Winnipeg, and what price per cord was paid for the same, and were any shipments of wood designated as fuel wood disposed of to box manufacturers? If so, what price per cord was paid for the same?

17. What price is paid by box manufacturers in the open market for wood produced for that purpose in the province of Manitoba?

18. Was there any shortage of fuel wood in the lakehead region in the winter of 1942-43?

19. Was there any shortage of fuel wood in Port Arthur or Fort William during the winter of 1943-44?

20. Was any attempt made to have pulpwood producers or logging companies in the Ottawa valley, Sudbury or North Bay districts, take out fuel wood during the winter of 1943-44?

21. Are there stands of timber in Renfrew county, Nipissing, Sudbury districts, Sault Ste. Marie district, Kenora district, or Rainy River district, suitable, (a) for pulpwood; or (b) for fuel wood?

22. If so, were any attempts made by the wood fuel controller or any official of the government to encourage the cutting of, (a) pulpwood; or (b) fuel wood in any of these districts?

23. Were directives issued to Quebec pulp and paper companies to cut fuel wood?

24. On what dates were such directives issued, if any?

25. Were arrangements made during 1943 to have Quebec pulpwood producers cut fuel wood?

26. If so, on what terms were the contracts made?

27. If contracts were authorized, or authority issued for the cutting of fuel wood by pulpwood producers in the province of Quebec, did the government fuel authorities receive any representations from operators in Ontario, or their representative association, asking that the Ontario contracts be written on the same basis as those for the province of Quebec?

28. How much fuel wood, if any, was cut by the Quebec pulpwood operators?

29. How much has been shipped, and what was the freight per cord on this fuel wood?

30. How much was paid out in the form of subsidy to fuel wood producers in, (a) Ontario; (b) Quebec; and (c) New Brunswick?

YUKON CIVIL SERVANTS

Mr. BLACK (Yukon):

1. Is the amount paid to civil servants in Yukon made up of stated sums termed salary, and stated sums termed living allowances?

2. Are both such sums considered salary for the purpose of income tax?

3. Are civil servants in Yukon assessed income tax on both of such payments?

4. If the answers to questions 2 and 3 are in the affirmative, are such civil servants assessed on both said amounts for contribution to civil servants' superannuation fund and, if not, why are they assessed income tax on both?

ST. VINCENT DE PAUL PENITENTIARY

Mr. LACOMBE:

1. Did the government, since January, 1940, appoint guards or officers at St. Vincent de Paul penitentiary?

2. If so, how many were appointed during the years 1940, 1941, 1942, 1943 and 1944?

3. What are the names of these guards or officers, and their respective places of residence?

4. Was the appointment of these guards or officers recommended by other persons than the Minister of Justice, and if so, who are these persons?

MOTIONS FOR PAPERS

ELDORADO MINING AND REFINING LIMITED

Mr. ROSS (St. Paul's):

For a copy of the agreement forming the basis of the taking over by the government, by order in council P.C. 535 of 1944 (through a crown company known as the Eldorado Mining and Refining Company) of the property of the Eldorado Mining and Refining Limited, and the purchase of the shares from its shareholders; together with a statement showing the name of each shareholder, the number of shares in each case, and the price paid by each shareholder for the shares turned over to the crown company, or to the agent acting for the government.

Mr. HOWE: I have had a word with the mover of this resolution, and I understand he would like to have it dropped, with the possibility that he may reword it later.

Motion dropped.

ELDORADO MINING AND REFINING LIMITED

Mr. ROSS (St. Paul's):

For a copy of the trustee agreement between "The Trusts and Guarantee Company Limited" and the government, or its agent, or the crown company known as the Eldorado Mining and Refining Company, giving effect to order in council P.C. 535 of 1944, regarding the acquisition by the crown of the property of the Eldorado Mining and Refining Limited; together with a copy of the balance sheet of the Eldorado Mining and Refining Limited for the year 1943. Also a copy of the list of shareholders of the said company as at the date of surrender of the affairs and property of the company to the government, or its agent, under order in council P.C. 535 of 1944.

Mr. HOWE: My remarks in regard to the previous resolution apply to this one as well.

Mr. SPEAKER: Dropped.

Mr. GRAYDON: I take it the minister means that the dropping of this motion would be without prejudice to the hon. member bringing forward a different motion on the same subject on another occasion.

Mr. HOWE: How could it possibly be to his prejudice?

Motion dropped.

MUNITIONS AND SUPPLY—ADJUSTMENTS WITH CONTRACTORS

Mr. BOUCHER:

For a copy of all statements of adjustments made with contractors by "proceedings on a less formal basis" than by exercise of powers under subsection 4 of section 13 of the Department of Munitions and Supply Act, and said to have been made with sixty-seven manufacturers.

Mr. CHEVRIER: In connection with this motion I must say that it is definitely not in the public interest to produce the papers requested, for the reason that it would be prejudicial to the success of future negotiations with contractors to the department. As was pointed out in reply to a similar question by the hon. member for Hastings South (Mr. Stokes) on February 24, 1944, at page 802 of *Hansard*, such excellent cooperation has been received from manufacturers in making refunds against too-great profits made possible by new manufacturing techniques that in no case has it been necessary to exercise the powers given the minister under subsection 4 of section 13 of the Department of Munitions and Supply Act. Also I would point out that in many of the sixty-seven cases mentioned by the hon. member renegotiations are in progress for added savings to the government, in addition to the $119,107,000 mentioned by me in my report to the house at page 1761 of *Hansard* for March 23, 1944, in which I also dealt with the renegotiation of contracts. Therefore I request that the motion be dropped.

Motion dropped.

AIR TRAINING PLAN—CLOSING OF AIRPORTS

Mr. WHITE:

For a return showing the names and numbers of the airports established under the joint air training plan, which are to be closed during the year 1944, with the total cost to date of each airport, including cost of lands, buildings, runways, water supply, sewerage, equipment and all other costs of construction.

VISIT TO CANADA OF REV. K. KOTOWSKI

Mr. DORION:

For a copy of all letters, telegrams and other correspondence between the department of public information, the wartime information board, the Department of External Affairs and Rev. K. Kotowski, with respect to the visit to Canada of this gentleman.

AIRPORT CONSTRUCTION—INSPECTION OF MATERIALS —J. FRANÇOIS LEDUC AND ASSOCIATES

Mr. LACOMBE:

For a copy of all telegrams, letters, correspondence and other documents exchanged since January 1, 1940, between the dominion government or any department thereof, and J. François Leduc, and associates, consulting engineers, 354 Ste. Catherine street east, Montreal, regarding the awarding of contracts by the government, for the inspection of materials at the various airports under construction by the Department of Transport.

SWITLICK CANADIAN PARACHUTE LIMITED

Mr. ROY (for Mr. LACOMBE):

For a copy of all letters, telegrams, correspondence and other documents exchanged since the 1st January, 1940, between the dominion government, or any department thereof and Switlick Canadian Parachute Ltd., 3575 St. Lawrence street, Montreal, concerning contracts awarded by the Department of Munitions and Supply to the said company.

Mr. CHEVRIER: I wish to point out to the hon. member that over 250 files and well over a thousand pieces of correspondence would have to be produced to satisfy his motion. This work would require to be done by personnel directly engaged on current war orders, and I suggest it is not in the public interest to have this done at this time. If the hon. member would care to indicate to me or to officials of my department the specific information he requires, I shall be happy to see that he gets it. I request that this motion be dropped.

Mr. SPEAKER: The hon. member is not in his place; should the motion stand?

Some hon. MEMBERS: Dropped.

Mr. SPEAKER: Dropped.

Mr. GRAYDON: I know nothing about this question, Mr. Speaker, but by the same department it has been stated twice that it is not in the national interest to give certain information. Having regard to the circumstances in this case, with the hon. member being away, I think in all fairness the motion should be allowed to stand.

Mr. MACKENZIE KING: The motion has been made and the government is expected to give an answer. The answer has been given, that it is not in the public interest to meet its request. The motion should therefore be dropped. Since the motion is not debatable, there is nothing to be gained by having consideration of the matter postponed until the hon. member is in his seat. I think it should be dropped.

Motion dropped.

CHINESE IMMIGRATION

Mr. NEILL:

For a copy of the draft of an immigration treaty, which was presented to the Chinese minister on January 17, 1944, and referred to by the Right Honourable the Prime Minister in his statement to the house on April 17, 1944, at page 2126.

Mr. MACKENZIE KING: The hon. member for Comox-Alberni will recognize that his motion involves an important question of principle, that principle being that the privilege of privacy must be granted to exchanges of views between negotiating countries. Perhaps I might say a word to the house on this matter of the negotiation of treaties.

Hon. members will realize that international treaties and agreements require a thorough and frank exchange of views between the parties involved. In some cases it is possible, after a certain fundamental stage of agreement has been reached, and especially when the treaty is a multilateral one, for the final modifications and expressions of view to be made at conferences which are open and public. However, the general principle is recognized in all countries and is, I think, of basic importance in international relations, that exchanges of views between countries in the course of negotiation of an agreement should not be made public by either party. It is obvious that the fear of misunderstanding, and the necessity of defending publicly any expression of view which might be only a tentative one set forth to explore all possibilities, would make it impossible for governments or their representatives to express themselves freely and frankly if they had to consider the possibility of publicity being given to their every word and proposal. Such a situation would render virtually impossible the negotiation of agreements and understandings between countries.

Mr. NEILL: Did not the Prime Minister make it a public document when he alluded to it in the house?

Mr. MACKENZIE KING: No. I alluded to the fact that a treaty was being negotiated, but beyond mentioning the subject, I did not disclose any of the terms of the treaty.

Motion dropped.

CUSTODIAN OF ENEMY PROPERTY

Mr. AYLESWORTH:

For a statement giving the name, in each case, of the custodian of enemy property and his full staff, together with a description of the duties and salaries received.

LABOUR CONDITIONS—HUDSON BAY MINING AND SMELTING COMPANY—FLIN FLON

Mr. NICHOLSON:

For a copy of all correspondence exchanged between the Department of Labour and Hudson Bay Mining and Smelting Company and/or the welfare board of Flin Flon, Manitoba, during 1943 and 1944 in connection with wage agreements.

GRAPEFRUIT JUICE—IMPORTS AND SUBSIDIES

Mr. FRASER (Peterborough West):

For a copy of all correspondence, letters, telegrams, permits, or authorizations, passing between or issued by the wartime prices and trade board (or any of its officials), to any person or persons, or firm or firms, regarding the purchase and importation to Canada of grapefruit juice during the past year; together with a statement showing the invoice price and the amount of subsidy paid on the same, and to whom the subsidy was paid.

Mr. ILSLEY: Mr. Speaker, this raises an important question which has been dealt with on several occasions. It is not regarded as being in the public interest to disclose the names of individual recipients of subsidies. The reasons for this position have been given by me in the house on at least two occasions.

I find that on April 17, 1944, an answer to a question by the hon. member for Fraser Valley (Mr. Cruickshank) contains this:

A statement of government policy in connection with revealing the names of applicants or recipients of subsidy appears on page 2719 of *Hansard* for May 14, 1943.

One ground for the rule which has been adopted is that to give the subsidies paid to recipients reveals to importers the business of their competitors, and gives them information as to the amount and type of business being done.

Mr. SPEAKER: Dropped.

Mr. GRAYDON: Have there not been instances where similar questions have been answered by the government?

Mr. ILSLEY: No; I am practically sure that there has never been such an instance. The position was very carefully considered in the spring of 1942 and again in the spring of 1943. It was stated in the house at the time, without any exception being taken to it, so far as I know.

Mr. COLDWELL: It seems to me that this principle should be clarified, because it involves the payment out of public moneys to individuals. It is the duty of the house to see to it that all such moneys are scrutinized in parliament. The principle which has been followed is a dangerous one.

[Mr. Aylesworth.]

Mr. ILSLEY: I admit the difficulty. Generally speaking it has a salutary effect on the whole public service if it is realized that any amounts, payments for which are authorized, are subject to review by parliament. One has to weigh that advantage against the disadvantage of making available to competitors the current business of those about whom the information is sought. The effect would be to make available to importers the current business of their competitors. We thought it would be best not to give this information. The department thought it could be given later in another way. If the hon. member will look at the debates on the subject he will see that that point is considered. I must say however that I do not regard it, nor does the government regard it, as in the public interest to give information which would tell importers of the particular commodities, the exact amounts, and the extent and type of business done by their competitors.

Mr. FRASER (Peterborough West): At the present time practically every grocery store in Canada is pushing the sale of grapefruit juice in gallon cans. I believe the public should know whether a subsidy is being paid, and to whom.

Mr. ILSLEY: Oh, well; there is no objection to that. I will give the information as to whether a subsidy is being paid, with the basis upon which it is being paid. The only thing I would object to is giving a list of the names of importers, and the amount each one gets. It would be on the same basis to everyone.

Mr. FRASER (Peterborough West): Would there be any difficulty in the minister's tabling that?

Mr. ILSLEY: No.

Mr. FRASER (Peterborough West): And after that, would there be any harm in showing me privately to whom these are paid?

Mr. ILSLEY: I do not like the latter part of the suggestion.

Mr. FRASER (Peterborough West): It has been done before.

Mr. ILSLEY: I really do not like it, because I do not think it is fair to other hon. members.

Mr. COLDWELL: That is right.

Mr. ILSLEY: But I will readily comply with the first part of the request. If the hon. member will reframe his motion I believe there would be no objection to it.

Mr. FRASER (Peterborough West): Why not let the minister table the answer, as he has suggested?

Mr. ILSLEY: All right; I will consent to the passing of the motion, subject to the considerations and exceptions I have mentioned.

Mr. GRAYDON: The question raised by the minister is an important one. Despite the fact that decisions have been made previously in respect of government policy, I think it is a question of balance, of deciding whether the public interest would be better served by having the information tabled in the house on occasions such as this, or whether there would be the possibility of an abuse arising from having matters hidden in the public accounts. That is a matter to which I suggest the government should give consideration.

Mr. ILSLEY: We have given consideration to it.

Mr. DIEFENBAKER: I should like to say a word on this matter. Too often lately there has been a denial to hon. members of information they wish to have and to which I believe they are entitled. The other day in sessional paper 267 I asked certain questions, to which a return was given. My questions were these:

1. From whom was coal purchased for Dundurn military camp in the province of Saskatchewan during the year 1943, and to date?
2. What were the grades supplied, and the price per ton?

And so on. The answer I received was this:

It is the policy of the department not to give unit prices or contract amounts against tonnages.

After all, hon. members have a right to information, as has been pointed out by the hon. member for Rosetown-Bigger. Here is a department of government which refuses to give information to members as to the cost prices of coal purchased with government money. Certainly the public interest does not deny information of that kind to hon. members.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion, subject to the reservations made by the minister?

Motion agreed to.

SUBSIDIES ON POTATOES

Mr. HANSON (York-Sunbury):

For a copy of all claims made for subsidy on new potatoes produced in the province of New Brunswick together with all correspondence connected therewith, exchanged between the Commodity Prices Stabilization Corporation and all others relating in any way to payment of same between August 1, 1943, and the present time.

Mr. ILSLEY: The same consideration exactly applies to this motion, and I do not see any way in which it could be amended, because the only information asked for is the names of recipients and the amounts paid to them. The period covered comes down to a late date, August 1, 1943.

Mr. GRAYDON: May I ask the government to be good enough to allow this to stand?

Motion stands.

FUEL WOOD—LAKEHEAD TO WINNIPEG

Mr. DIEFENBAKER:

For a statement disclosing the particulars of any contract or arrangement authorized by or made between the wood fuel controller and any manufacturer of boxes for the utilization of fuel wood shipped from the lakehead to Winnipeg, showing the price per cord paid for the same; also a copy of any correspondence, record of discussions, contracts, or agreements appertaining to the same.

FUEL WOOD—CONTRACTS WITH ONTARIO OPERATORS

Mr. DIEFENBAKER:

For a copy of all documents, letters, correspondence, proposals, or representations, made by pulpwood producers of the province of Ontario, their representative or association, to the wood fuel controller or any other official of the government, asking that the Ontario operators be granted contracts on the same terms as those granted to producers of pulpwood in the province of Quebec.

PULPWOOD AND FUEL WOOD PRODUCTION

Mr. DIEFENBAKER:

For a copy of any correspondence, contracts, arrangements, or directives, made or issued by the wood fuel controller or any official of the government with pulpwood producers in the province of Quebec during the year 1943; together with reports or recommendations or minutes of any meetings where pulpwood and fuel wood production was discussed with producers in the province of Quebec.

FUEL WOOD AND PULPWOOD

Mr. DIEFENBAKER:

For a copy of all instructions, or directives, or contracts, made by or entered into between the wood fuel controller, or any other official of the government acting on behalf of the government, and the pulpwood operators in Ontario during the spring and summer of 1943, for the cutting of fuel wood, or the cutting of pulpwood which might in an emergency be used as fuelwood; together with copies of reports or minutes of any meetings held at the lakehead by the wood fuel controller in May or June, 1943, at which meetings fuel wood production was discussed; together with a statement of copies of

any representations made by pulpwood operators or their representatives to the effect that they be permitted to continue to cut pulpwood, and that if a serious fuel wood shortage developed during the winter of 1943-44, the said pulpwood be taken over and used as fuel wood under the direction of the wood fuel controller; also copies of the report or reports of the wood fuel controller on the lakehead fuel wood operations during the spring and summer of 1943, including therein a copy of his recommendations.

CANADAN VICKERS LIMITED—D-4 AEROPLANES

Mr. BRUCE:

For a copy of all correspondence and contracts between the government of Canada and Canadian Vickers regarding the building of D-4 aeroplanes.

BUSINESS OF THE HOUSE

FURTHER LEGISLATION—THE BUDGET

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): Following my inquiry of Friday last I should like to ask the Prime Minister what further legislation the government proposes to bring down during the present session. Perhaps I may couple with my question, as I did on Friday, an inquiry as to when the budget may be expected.

Hon. J. L. ILSLEY (Minister of Finance): Mr. Speaker, with regard to the latter part of the inquiry I may say that I hope to be able to present the budget shortly after the middle of May.

Right Hon. W. L. MACKENZIE KING (Prime Minister): In reply to my hon. friend the leader of the opposition, may I say that in addition to the social and other legislation already on the order paper and the usual financial measures, the following measures, most of which were forecast in the speech from the throne, have still to be introduced. There will be the Bank Act amending bill and a measure respecting the Quebec Savings Bank. There will be ancillary legislation to provide for credits for agriculture, and a measure for the insurance or guarantee of export credits. There will be national housing legislation, and a measure to provide for family allowances. There will be legislation to provide for a floor under farm prices, and legislation respecting administrative machinery for the disposal of surplus war assets. There will be an act to amend the Aeronautics Act to provide for the establishment of an air transport board with consequential amendments to the Transport Act. There will be an amendment to the Dominion Elections Act to provide for the exercise of the franchise by members of the armed forces. There will be an amendment to the Civil Service Superannuation Act. There will also be any measures to supplement the existing rehabilitation programme, including war service gratuities and an amendment to the Veterans' Land Act. There will be amendments to the Naval Service Act, and possible amendments to the criminal code. There will also be such legislation as may result from reports of committees.

As indicated in the speech from the throne it is anticipated that there will be measures respecting health insurance and contributory old age pensions. In some particulars this legislation will depend upon the degree to which agreement can be reached with the provinces. Should the proposed treaty with China, which I mentioned on Monday last, be concluded before the end of the session, there will be a measure to amend the Chinese Immigration Act. There is always the possibility that some situations may arise while parliament is still in session which will require the bringing in of additional legislation. I would not wish the government to be bound *verbatim et literatim* by the statement I have just made, but I have tried to indicate to the house as fully as possible the legislation which, so far as I can see, at the moment it is proposed to have introduced at this session.

Mr. GRAYDON: May I make one suggestion to the Prime Minister with respect to the legislative programme? I think the house is cognizant of the amount of legislation yet to be dealt with in addition to war measures of a financial character. Perhaps the Prime Minister would be good enough to hold a conference with the government leader in the other house with the idea of having initiated in the other house such of the legislation he has mentioned as may be so dealt with. With that arrangement and with the help of committees some of the burden of legislating which falls upon this house might be diverted to the other house and we would thus have a somewhat better balance as between both houses.

Mr. MACKENZIE KING: May I say to my hon. friend that I have had several conferences with the leader of the government in the Senate and he himself has brought forward the very question my hon. friend has just raised. The difficulty is that at a time of war most of the legislation is in the form of measures financial in character and most of them of necessity must be introduced in the Commons in the first instance. I mentioned an amendment to the Dominion Elections Act to provide for the exercise of the franchise by members of the armed forces. At first glance

this might seem to be legislation that might be initiated in the Senate, but hon. members will realize that it pertains to representation in the Commons and for that reason the measure could not very well be taken up there in the first instance.

The leader of the government in the Senate has in mind asking the members of that house to consider in committee some phases or aspects of the bills that will be before the Commons so that when these measures do reach the Senate the members of that honourable body will have more or less covered the ground which might otherwise have to be covered in lengthy debate. In this way it may be possible to have consideration of some of the measures carried on more or less simultaneously in both houses. I assure my hon. friend that the government is desirous of having as much of the existing programme initiated in the Senate as may be advisable and possible, but the exceptional character of a war session is something which lies beyond the control of both houses.

PRIME MINISTERS' CONFERENCE

QUESTION AS TO CONSULTATION WITH LEADERS OF CANADIAN POLITICAL PARTIES

On the orders of the day:

Mr. E. G. HANSELL (Macleod): Mr. Speaker, I would ask the Prime Minister a question based on the probability that he will be leaving shortly for the conference of prime ministers in Great Britain. I am sure that the entire house wishes him godspeed, a safe journey there, a profitable conference, and a safe return. While he is away no doubt he will be called upon to make exceedingly important pronouncements and perhaps commitments. My question is this. Has he considered the advisability of calling into conference before leaving for Great Britain the leaders of the various parties and groups in parliament in order that he may ascertain the attitude of the entire body of parliament upon the problems which will have to be dealt with at the conference?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I assume that my hon. friend's question has reference to the groups in the parliament of Canada, and not to any groups in the parliament of the United Kingdom.

Mr. HANSELL: No; here.

Mr. MACKENZIE KING: I would reply to him that the government has responsibility, as he is aware, for whatever is done in the name of the government either in this house or elsewhere, and having that responsibility the government has to be the judge of the best method of proceeding in these matters. I hope that I am familiar enough with the views of the members of all groups in this house to be able to express, I trust quite sincerely and intelligently, any point of view that it may be desirable to have expressed on their behalf, but I have not thought it would be necessary to have any meeting of the kind which my hon. friend has just mentioned before attempting to deal with the proceedings of the conference. What will be discussed at the conference—I should call it rather a meeting of the prime ministers of the nations of the British commonwealth because it is not to be a conference in the sense in which that term is generally used—will depend largely on the questions that may come up at the meetings. No doubt there will be many subjects discussed, some of which I am already aware of, and others which I shall not know about until I am present.

May I say to my hon. friend that I thank him very warmly for the good wishes he has extended to me, and I thank hon. members of the house for the kind manner in which they have received the hon. member's expression of those good wishes. I shall endeavour as best I can not to disappoint any hopes or expectations which hon. members may be kind enough to cherish, with respect to a consideration of the matters to be taken up in London.

CANADIAN ARMY

PRESS REPORT AS TO FORMATION OF VOLUNTEER BRIGADE OF 6TH DIVISION FOR OVERSEAS SERVICE

On the orders of the day:

Mr. H. C. GREEN (Vancouver South): Mr. Speaker, I should like to direct a question to the Department of National Defence. A Canadian Press dispatch from Vancouver, published in Ottawa this morning, states that an attempt is being made to raise a volunteer brigade from the troops of the 6th division, which is composed largely of home defence troops, and that this brigade is to be sent to one of the fighting fronts. The Minister of National Defence (Mr. Ralston) is out of the city to-day, I understand, but I would ask that the house be given a statement in regard to this matter to-morrow.

Hon. C. G. POWER (Minister of National Defence for Air): We will take the question as a notice, Mr. Speaker, and I will advise the Minister of National Defence.

WAR APPROPRIATION BILL

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

The house resumed from Friday, April 21, consideration in committee of a resolution to grant to His Majesty certain sums of money for the carrying out of measures consequent upon the existence of a state of war—Mr. Ilsley—Mr. Bradette in the chair.

DEPARTMENT OF NATIONAL WAR SERVICES

Departmental administration, $90,907.

Mr. FRASER (Peterborough West): Will the Minister of National War Services make a general statement? We have no break-down before us.

Hon. L. R. LaFLECHE (Minister of National War Services): Mr. Chairman, on Friday last towards the end of the sitting I was giving information in reply to questions put to me regarding specific operations of the Department of National War Services. I would ask the indulgence of the committee in order that I may give some further information which I suggest will be found interesting to the house and the country at large.

The men and the women of the Canadian armed forces have not been forgotten in an important matter, and by that I mean their continued education. From the very beginning of the war an educational movement was started, and that has increased as the years have gone by. I am satisfied that an excellent job is being done in that direction.

Mr. GRAYDON: Mr. Chairman, what the minister is trying to bring before the committee is a matter of great importance and of great moment, but I am unable to hear him because of the noise that is going on in the chamber. In order to help him, so that his voice will remain intact during the afternoon and evening sittings, I would ask you, Mr. Chairman, please to call the committee to order and see that some semblance of order is kept while the minister is making his statement.

Mr. LaFLECHE: Mr. Chairman, my voice being in its present state I am truly indebted to the leader of the opposition. I have some notes, and while they are lengthy I do believe they are worthy of putting on the record so that they may be read by the citizens of Canada at large.

Educational services for all branches of the armed forces were initiated in 1939 by the Canadian Legion under the authority of the Departments of National Defence, now three departments. The intention at that time was to make available adequate educational facilities of a constructive nature to occupy idle time, which does form a considerable part of military life at different intervals, and eventually during the pre-demobilization period. The services were designed with three objectives in mind: first, that service personnel might become more efficient fighting men; second, that interrupted or deferred studies resulting from service might be continued; and third, that service personnel might prepare themselves whilst in service for civil reestablishment.

As the work developed, practical courses were established to meet the purely voluntary demands of service personnel. Later, the needs of additional educational facilities as part of military training were recognized by the three armed services. As an example, it became necessary to teach mathematics and other necessary subjects for which adequate facilities were not available within the services.

Canadian Legion Educational Services, having become established and capable of providing the necessary facilities for educating armed personnel proceeded to fit men in this respect for their military duties. The next step was for the three armed services themselves to develop in service organizations a knowledge of how to coordinate and integrate the educational facilities available through the Canadian Legion. Accordingly, the navy made use of its existing directorate of education, the army established its directorate of education in 1943, and the air force appointed educational officers in 1942. As a result of the establishment of these educational controls within the three services, all educational requirements, both for in-service training and extra-service training, are now initiated by these officers, and required services—text books, libraries, supplies and instructors—are supplied through and by the Canadian Legion.

Because of the wide variation in school standards across Canada and because of the many different types of textbooks used in the autonomous provincial systems, it was found necessary to prepare numerous sets of academic, technical and vocational courses, ranging from the subjects on the lower level of the elementary school to those of the senior matriculation level. The collaboration of the provincial departments of education, extension departments of the universities, the Canada and Newfoundland educational association and other educational authorities was obviously necessary and was obtained by the Canadian Legion through its committee on education. Through its collaboration, the services now provide an interprovincial

bilingual school system for the personnel of the fighting forces in which each registered student may obtain regular school credit. The core of the system provides sixty-seven specially prepared courses set out in text books which can be used in both oral courses and correspondence courses. This list includes certain special courses prepared at the request of the service authorities to assist in the more rapid preparation of service personnel in becoming efficient members of the fighting forces. One example of the manner in which such special courses have assisted in the training of personnel is that of the pre-aircrew courses. When the Royal Canadian Air Force had exhausted the supply of young men with sufficient academic education to take advantage of flying training, the Canadian Legion Educational Services were requested to provide pre-aircrew courses to bring ground crew personnel up to the required standards. To date, 12,603 students have taken advantage of pre-aircrew English, 21,428 have studied pre-aircrew mathematics and 15,430 have studied pre-aircrew science. This has materially assisted the R.C.A.F. in maintaining a steady flow of aircrew.

It is a matter of note, I suggest, Mr. Chairman, that through these operations, through the activities of the Canadian Legion Educational Services, there has been brought about, for the first time so far as I know, a system of teaching, or a school system if you like, which is identical in the nine provinces of Canada. That has been possible only because of the very fine cooperation which the several provinces without exception have afforded this plan.

Total voluntary registrations for correspondence courses using these text booklets as at March 31, 1944, was 129,361. During the past two years the total number of papers corrected has been 210,197. Many of the students are not interested in academic credit, but study in preparation for promotion within the services, and consequently courses are dropped when the immediate aim is achieved.

Mr. COLDWELL: Has the minister any comparison between those two years, as to whether there has been a substantial increase over the preceding year, so that we can see if there has been a progressive increase in the value of these courses? I do not want to interrupt.

Mr. LaFLECHE: I had intended to speak of that later on in my comments. That comes really at the end of my remarks on this subject. I think I can satisfy the hon gentleman on that.

Despite this fact, some 58 per cent are classified at present as active students working to complete courses. When consideration is given to the difficulties under which service personnel have to study, this average appears to be extremely good. Courses most in demand are mathematics, which includes trigonometry and practical courses designed especially for the army and the air force; conversation Anglaise; pilotage and elementary navigation; and series of technical, vocational and agricultural courses. Requirements for class instruction are provided in each military district or command of the R.C.A.F. by regional committees of the Canadian Legion Education Services, under the chairmanship of outstanding educationalists who serve in a voluntary capacity.

The following are the chairmen at the moment of these several regional committees in Canada and Newfoundland: Dr. G. M. Shrum, University of British Columbia; Professor Donald Cameron, University of Alberta; Dr. J. S. Thomson, President of the University of Saskatchewan; Dr. Sidney Smith, President of the University of Manitoba; Dr. M. K. Inman, Director of Extension, University of Western Ontario; Dr. W. J. Dunlop, Director of Extension, University of Toronto; Mr. Robert Westwater, Inspector of Ottawa Schools; Dr. J. C. Bonar, of the Canadian Pacific Railways; Mr. Victor Doré, Superintendent of Education, province of Quebec; Dr. N. MacKenzie, President of the University of New Brunswick; Dr. Henry F. Munro, Superintendent of Education, province of Nova Scotia; Honourable J. W. Jones, Premier of the province of Prince Edward Island; Dr. A. G. Hatcher, President of Memorial College, Newfoundland.

On these regional committees are representatives of the director of education of the three armed services, department of education, teachers' societies, local school boards, auxiliary service officers, the provincial departments of agriculture, fisheries, mines and forestry. They are responsible for all operations within their respective areas. As will be seen, the planning has been central, with provincial consent; whereas the operations are in a sense decentralized; their geographical designations may rightly be compared with the several military districts.

Mr. COLDWELL: Is there a central advisory committee?

Mr. LaFLECHE: Yes. I am coming to that. Under this arrangement, from the time of inception until December 31, 1943, some 7,670 classes have been conducted with an

enrolment of 196,849 men and women. Classes for in-service training are conducted entirely by the service authorities, but in many cases text booklets for such ordinarily are provided by Canadian Legion Educational Services, the only source really from which such textbooks can be had. Slightly over 275,000 text booklets have been supplied at the request of the three services. Many instructors for classes in extra-service studies give their services voluntarily. In cases where payment is required, local rates of remuneration prevail. Such rates vary, because of location and difficulty of subject, ranging from about $3 to $5 for class sessions of two hours. Instructors' fees for correspondence courses average around forty cents per paper which is marked, and the student is individually instructed in respect to errors. Personnel engaged in correspondence instruction are drawn from the ranks of professional correspondence instructors accredited by the provincial departments of education.

There are handicraft and art classes carried out by the Legion and the other auxiliary services. Classes are provided by regional committees at the request of the armed service as and when need arises. These classes embrace such fields of interest as handicrafts, arts, household science and pre-discharge classes leading to rehabilitation. Crafts and arts of special interest are: leather, wood and metal work, knitting and needlepoint, weaving, photography, sketching and painting. Handicraft and arts programmes were initiated about November, 1943, and interest in such courses developed rapidly. For example, during the four months following inception 30,863 English and French manuals were distributed and 2,174 individuals received instruction in Canadian Legion classes alone, not taking into account the classes operated by the other auxiliary services. I am sorry I have not the figures for the other auxiliary services, but I wish to point out that the Y.M.C.A. carries out handicraft and art classes at those stations where they operate as an auxiliary service. They are large.

To satisfy the increasing demand from service personnel for university classes the armed forces requested the Canadian Legion Educational Services to bring a full variety of courses to the attention of interested students. Bulletins which provide information relative to both English and French speaking universities have been prepared and are available to service personnel.

The three services have been giving consideration to pre-discharge training which will aid individuals in their civilian reestablishment, and at the same time provide constructive guidance during the period prior to demobilization. In cooperation with service representatives and representatives of the Department of Pensions and National Health, Canadian Legion educational services have provided vocational guidance manuals on some fifty gainful occupations, in addition to more comprehensive courses on the basic industries, namely, agriculture, mining, fishing and forestry.

To implement the whole educational programme requested by these services, Canadian Legion Educational Services have built up a large library service in Canada, Newfoundland and overseas with the following purposes in mind. I am told there are something like three hundred different textbooks. The purposes in mind are: (a) to supply prescribed and collateral readings in support of correspondence courses; (b) to provide reference texts on subjects in which oral classes have been arranged at the request of the services; (c) to assist the personnel to pursue studies in subjects for which correspondence courses have not as yet been provided; (d) to supply certain technical books specially useful for men in the navy, army and air force from lists approved by officers of the three branches of the service.

Reference books, both English and French, in 1942 and 1943 in Canada and Newfoundland total 71,324, being both cloth and paper bound and averaging in price about $2.50 each. Trades journals are sent out monthly to the camps in order to keep men in touch with their civil occupations, and such trade journals are provided without cost by the respective publishers.

There is a short university course for R.A.F. personnel at Bishop's university. As a result of the examples set by British universities in providing short university courses for Canadian personnel overseas, the western Quebec regional committee of the Canadian Legion sponsored a series of one-week courses at Bishop's university, Lennoxville. They were designed to provide air personnel from the Atlantic transport command particularly with information concerning Canadian affairs, and lectures and tours were provided.

So far I have been outlining the operations carried out by the Canadian Legion Educational Services in Canada and Newfoundland. May I now say something about what is being done overseas? The requirements overseas closely parallel the work performed in Canada, and is under the direction of a committee of outstanding British educationalists, the chairman of which is Sir Frederick Clarke. On this committee are also the directors of education of the three services, in addition to the Canadian Legion Educational Services overseas directors. Up to December 1943 some

33,739 service personnel have registered for correspondence courses, and 25,407 directed reading requests were attended to.

In one month 3,106 classes were conducted with an approximate attendance of 71,059. The same text booklet or booklets and library facilities are available to Canadian personnel overseas and in any theatre of war in which our personnel serves. For instance, I am very happy to say classes were actually conducted during operations in Sicily and are being provided for at the present time in Italy.

We also do whatever we can for prisoners of war. All Canadian Legion Educational Services courses, all Canadian university courses, and whatever special courses and educational material are requested by next-of-kin, are available to Canadian prisoners of war in Germany and enemy occupied territory. Arrangements have been made through the International Red Cross Society in Geneva and the Canadian Red Cross Society to distribute such material. Examinations for all these courses are forwarded to the university of London, England, for marking, and the credits granted by that university are accepted by departments of education and universities in Canada and Newfoundland. To date some 87,787 text booklets and 662 University texts, together with 400 Canadian university correspondence courses, have been dispatched to Geneva. Some 35,981 text booklets, and library books for special reference numbering 527, have been sent to individual prisoners of war upon direct request. Some indication of the interest and value may be gained from the fact that of a total of 4,686 men in one German prisoners of war camp in October, 1943, some 2,373 attended school classes. Proof of receipt of material and appreciation of the services are received from time to time in cards and letters from the recipients and from senior Canadian and R.A.F. officers.

Now I come to the committee on education. The whole programme is supervised and co-ordinated by the national committee on education of the Canadian Legion war services, in conjunction with its regional committees in Canada, Newfoundland and overseas, under the chairmanship of Lieutenant-Colonel the Honourable Wilfrid Bovey, this committee is composed of representatives of the Canadian association of adult education, the Canadian and Newfoundland educational association, the Department of Pensions and National Health, the directors of education of the three armed services, together with two representatives of the Canadian Legion. The value of voluntary services provided by numerous outstanding men and women in Canadian and British educational fields cannot be estimated in monetary terms. These public-spirited citizens, Mr. Chairman, I believe deserve the gratitude of all.

I have here a list of text booklets, totalling 67. I shall not venture to read them into the record, but this list is available—

Some hon. MEMBERS: Put them on *Hansard*.

Mr. LaFLECHE: With the permission of the committee I should like to place the list on *Hansard* without reading it.

The CHAIRMAN: With the unanimous consent of the committee.

Mr. LaFLECHE: The list is as follows:

List of Text Booklets

Aircraft Recognition	Naval Educ. Test I & II
Biology C	Auto Engineering
Bookkeeping B	Bookkeeping A
Chemistry C	Business Arithmetic
Diesel Engineering	Conversation Anglaise
Elem. Mar. Engineering	Elem. Arithmetic
Elem. Read., Writ., Spell.	Elem. Navigation
English B	English A
Francais Degre Elem.	English C
French B	French A
General Science A	French C
General Science C	General Science B
Intro. English	Horticulture
Intro. General Science	Intro. French
Intro. Social Studies	Intro. Mathematics
Latin B	Latin A
Lecture Ecrit. et Epell.	Latin C
Mathematics A	Livestock & Dairy
Mathematics C	Mathematics B
Music	Mechanical Drawing
Pilotage & Navigation	Physics C
Practical Electricity	Poultry Raising
Pre-aircrew English	Practical Trigonometry
Pre-aircrew Science	Pre-aircrew Mathematics
Sheet Metal Work	Principles of Radio
Shorthand B	Shorthand A
Social Studies B	Social Studies A
Soils & Field Crops	Social Studies C
German for Service Men	Business of Farming
What's That Plane	French for Service Men
Woodcutter's Handbook	Instructor's Manual
Icelandic for Soldiers	Maths. for Soldiers
Sr. Metric. Physics	Sr. Matric. English
	Sr. Matric. Maths.

Hon. members might be interested in the size of the staff required, and I have the figures as of March 31, 1944. At that time there were engaged in administrative work at headquarters 48 full-time employees. Civilian assistants, regional secretaries, clerks and stenographers, librarians and so on in the field, also full-time employees, numbered 88. Engaged in the correction of correspondence course papers were 60 part-time employees. Service personnel instructing in the field numbered 246. The number of those serving voluntarily on the national committees, the regional committees, as honorary librarians,

lecturers, teachers, film specialists, operators, translators, authors and artists is estimated to be in the neighbourhood of 350. Therefore as of that date we had approximately 136 full-time employees and 906 others, both service and civilian, full-time and part-time, including those who gave their services without charge.

In regard to operations and analysis as to costs, the basis for any comparison as to increase or otherwise, at present the operations show an increase over those indicated in the six months' period ending December 31, 1943. The present ratio of expenses for headquarters administration to expenses relative to teaching is indicated by analysis of the expenditure for the six months' period ending December 31, 1943. During the period July 1, 1943, to the end of that calendar year, a total expenditure of $372,257.04 was required for the provision of educational services in Canada. Of this amount the sum of $30,169.38 was spent on headquarters administration salaries, or a percentage ratio of 8.1. The total cost of headquarters administration, including travel, rentals, furnishings and equipment, was only $37,447.22, or ten per cent of the total expenditure. The amount devoted to the provision of actual educational training and required materials, together with local regional administration, was in the sum of $311,165.93, or 83.6 per cent of the gross expenditure for the period. The balance of $23,643.89 was expended on special projects such as material for prisoners of war, preparation of material for pre-discharge training, and short courses, and represents 6.4 per cent of the total expenditure. From the above analysis it will be seen that a very modest ratio of administrative expenses obtains, and that the expenditures for actual educational purposes required the volume of the total budget. Moreover, the amount of voluntary technical, academic and advisory assistance provided by unselfish, public spirited educationists throughout Canada and Newfoundland, and I might add Great Britain, makes the total operation a most economical as well as a most efficient enterprise.

I have figures as to cost. Expenditures in Canada from the inception in October, 1939, to December 31, 1943, total $1,267,021.74. Expenditures overseas for the same period total $637,677.04.

Mr. COLDWELL: Do I understand that the total expenditure since the war broke out is less than $3,000,000?

Mr. LaFLECHE: It is just under $2,000,000, both for overseas and in Canada.

[Mr. LaFleche.]

Mr. COLDWELL: Could the minister tell me the total budget for the services both in Canada and abroad for the current year?

Mr. LaFLECHE: You mean the year ending March 31, 1944?

Mr. COLDWELL: Whenever the current fiscal year ends.

Mr. LaFLECHE: I must deal in fiscal years, whereas of course the educational year ends roughly in June; we have had some little difficulty in that regard. The figures requested are, for Canada and Newfoundland, $922,000 for the year, and overseas $240,000.

Mr. COLDWELL: Does the $922,000 include overseas?

Mr. LaFLECHE: No, I have given them separately. Those would total $1,162,000. It is apparent that in this respect we are on the increase, and it would seem that that is only natural. Experiences of the past have permitted those carrying out these operations to perfect their systems. It has also become a matter of intimate knowledge of all members of our forces that these services are at their disposal. And they—as we, I presume—hope that this war will end in the not too distant future. It is encouraging to note that the members of our armed forces take education seriously.

Mr. COLDWELL: For the amount of money expended, we have been told a remarkable story. I am wondering if sufficient money has been expended to make this the kind of service it ought to be. When we hear of $1,100,000 as the total expenditure for the kind of services the minister has outlined for the armed services in Canada and overseas, and for prisoners of war—and I regard that as a very important service—we must realize that relatively it is a very small sum. I am thinking of a city of perhaps 50,000 or 60,000 inhabitants where the expenditures for public and high schools—and we might include the separate schools, too—would approach this figure. I do not know how the amount of service can be given for the money the minister has mentioned. I believe the committee would be warranted in urging that the minister discuss this matter with the national committee, to see if they are obtaining adequate sums for this important auxiliary service. I know of no service more important than the one we are now discussing.

We must remember that in this time of war we have taken from their normal way of life hundreds of thousands of young men and women who might otherwise have been completing their education. We owe it to those

young people to see that the very best possible educational facilities are provided for them while they are in the armed forces. I feel this way about it, too, that if our democracy is to survive, those younger people who are serving in the armed forces and others who are growing up must be given every opportunity to appraise policies, to understand the public, social and economic environments in which we live, and be able to use democracy as it ought to be used. For, after all, in my opinion we have never had democracy. True, it was defined as government of the people, for the people and by the people; but in most of the spheres of life in which people have to move they find they are governed by self-constituted and autocratic controllers who are anything but democratic, and who do not allow the people to exercise any degree of democracy.

My real thought is that those of us who are interested in this matter should express our appreciation of the tremendous voluntary effort undertaken, and the manner in which it has been worked out by Colonel Bovey and by the Canadian Legion. I do not think a finer piece of work has been undertaken than the educational service for the armed forces. But in my view it has not gone far enough. I believe we could have spent many times the amount we have spent in this field.

I rise this afternoon, as a former teacher and one interested in education, to urge upon the committee that they see to it that this great service is in no way starved, but on the contrary is extended, fostered and financed to the very best of our ability.

I was going to ask the minister one or two questions. Is any supervision given to the amount of money asked for by the legion? Is the government advised or is the legion advised, by any committee other than those about which we have heard this afternoon? To be precise, is there a citizens' advisory committee which has any say as to the allocation of expenditures?

Mr. LaFLECHE: Perhaps I might be permitted to give a somewhat lengthy reply. It would seem to me that at this point I should explain to the committee just how all this originates, and the various steps through which proposals pass. In educational services, as in the establishment of canteens or anything else for the comfort of our fighting personnel, the requisitions arise in the defence department concerned. It may be the navy, the army or the air force. Each of the defence departments has a director of education, and it is he who says that such-and-such facilities shall be made available, and that so many people will probably wish to attend classes in this or that camp. That comes to my department as a proposition initiated by the defence department involved, and carrying the approval of that department. In effect it is a demand upon me to see that certain things are carried out.

While I am now speaking about educational services, the same would apply to the establishment of a hostel, a canteen, or any other service for the troops. The requisition then goes to the national war services fund advisory board, a committee composed very largely of sound, careful business men—and, of course, some women.

Mr. COLDWELL: Would the minister give the names?

Mr. LaFLECHE: I have the entire list here.

Mr. BRUCE: I suggest it be placed on the record.

Mr. COLDWELL: Who is the chairman?

Mr. LaFLECHE: Mr. C. L. Burton of Toronto is the chairman, and the members are:

Mr. Henry W. Binning, Annapolis Royal.
Mr. Wallace R. Campbell, Windsor.
Mr. J. Arthur D'Aoust, Ottawa.
Mr. John Caswell Davis, Winnipeg.
Mr. Leon T. des Rivieres, Quebec.
Mr. T. S. Dixon, Vancouver.
Mr. Walter S. Grant, Charlottetown.
Mr. J. J. Leddy, Saskatoon.
Brigadier General C. H. Maclaren, Ottawa.
Mr. John W. McConnell, Montreal.
Madame A. J. Major, Ottawa.
Mr. F. K. Morrow, Toronto.
Mr. James Y. Murdoch, Toronto.
Mr. Gordon F. Perry, Toronto.
Mrs. Louise M. Vroom, Rothesay, King's county, N.B.
Mrs. Edgar Hardy, Ottawa.
Mr. W. T. Henry, Edmonton.

Then there is an overseas committee or subcommittee, the chairman of which is Sir Edward Peacock, and the members:

Mr. S. Kilpatrick, London, England.
Sir Hardman Lever, London, England.
Mr. E. B. McInerney, London, England.
Mr. W. Garfield Weston, M.P., London, England.

Mr. GILLIS: For example, if the Canadian Legion war services educational committee were desirous of starting a new project or expanding its work, would it be necessary to call all the members of that committee in order to get the money or appropriation?

Mr. LaFLECHE: The proposition would not originate in that fashion; it must originate in the department of national defence concerned. None of the auxiliary services initiate any particular proposal, nor does my department. The three departments of national

defence, in the interests of their personnel, decide, I assume after due deliberation, that it is necessary to do this or to do that. It is then the work of national war services to do it. The proposal then follows the procedure I had begun to outline. I assume it is the desire of the committee that I continue.

The proposal then goes to the national war services funds advisory board, which is composed of the ladies and gentlemen I have just mentioned. Representatives of the auxiliary services of the department of national defence concerned appear before the board and full explanations are given. The board satisfy themselves, not that the proposal is good or bad but that it is going to be carried out economically. Its duty is to advise the Minister of National War Services, who then acts and it is his responsibility from then on.

I should like to say a word about the national war services funds advisory board and pay a tribute to the ladies and gentlemen who serve on that board. Their duties have been quite onerous, and they have been most assiduous and careful in their work. I assume that they feel that they are there for the purpose of seeing that the taxpayers' money is not wasted. From the beginning I have appreciated at all times the fruits of their labour. I have appreciated their recommendations. The Minister of National War Services is not bound to accept their recommendations, but as in all cases they would have gone to the trouble of considering the merits of the proposal in detail the information they obtain is certainly worthy of the most serious consideration.

In connection with education services I am glad to say that in not one case have I reduced the recommendation as to the budget by one cent. On some occasions, the matter having been carefully discussed with the Legion representatives and the national defence representatives, they have recommended that certain reductions be made. I would then discuss the matter with the Legion representatives or sometimes with the Department of National Defence representatives, and I can say that the Legion has never been held up because of lack of funds. So far as I am concerned they will not be held up by a lack of funds in carrying out the projects of the department of national defence concerned, which have been passed by the national war services funds advisory board and by the officials of my department. However, there is great value in being careful in expending public money. I think we all agree as to that.

I am in a position to say that so far as I am concerned no moneys have been wasted. I am satisfied that every dollar has been put to good use. I am satisfied that those concerned are careful in their operations. Rarely has my attention been drawn to cases where sufficient care seems not to have been taken. I have experienced no trouble because of suspicions or anything of that nature; everything has been perfectly clear and aboveboard. As far as I know I can assure my hon. friend that he need have no fear. I feel sure the national war services funds advisory board is aware of the importance of educational services. This does not mean that when the board meets to discuss the details of the different budgets there is not serious discussion. I would not wish it to be otherwise. So far as I can humanly do so, I shall see that the members of the armed forces are provided with courses and are able to carry on their education to their hearts' content, to their own benefit as well as to the benefit of Canada.

Mr. COLDWELL: I was trying to follow out a series of questions which I had in mind. I do not think anyone will say that any of the money appropriated has been wasted. We have had a vigorous statement this afternoon by the minister that there has been no waste. The marvel to me is how this service could have been undertaken for the amount of money that has been appropriated.

While I agree that we owe thanks to the ladies and gentlemen who have acted on the advisory and other committees, I feel that in regard to education quite often the wrong people exercise control over expenditures. I think it is a mistake to have in a position where they can void education expenditure people who do not appreciate the necessity for education in this period in which we are living. Mention was made of Mr. Burton, general manager of Robert Simpson Company Limited. With all his attributes I do not think Mr. Burton is a gentleman who should have any say with regard to educational expenditure. I say that because of his own statement. I hold in my hand a report of an interview which he gave to Wellington Jeffers of the *Globe and Mail* on December 11, 1943. After discussing immigration he went on to discuss education. This is what the gentleman said:

> There is a growing suspicion, however, that many young people would have a greater ambition to succeed in whatever business or vocation they follow if they started to earn earlier. This fully recognizes every cultural claim for giving Canadians a good education, but also says that that great education, experience, is not allowed to have its influence early enough when minds and character and habits are most impressionable and have greatest influence on later life.

I started work at fourteen years. I think that is the best age for many children to commence work. If they are in earnest about going back to school later, most of them nowadays can find a way to do it.

In my work in the Big Brother Movement and as chairman of the Industrial School Advisory Board, I have often found it true that many boys would be better off, after fourteen years of age, to be at work than in school. Probably the fact that many boys and girls over fourteen years of age have for many years been denied the opportunity to get into work when they desired to do so has been much to the disadvantage of the social fabric of the country. Too few recognize the strain involved in the fact that most families in Canada are trying to live on a $2,000 basis with a $1,500 income.

In other words, if you put the children to work earlier, the parents can get something out of them to help meet the family budget.

A large increase in juvenile delinquency has resulted. This will not be cured by theorists, by psychologists, by social welfare workers nor by education experts if the economic strain is forgotten. A great deal of the strain would be saved if children were allowed to take full-time jobs at fourteen years of age and then encouraged later to continue studying either at school or on their own volition.

I have read that because I have received from boys who are taking some of these courses indications that there have been delays in getting the courses, the papers and so forth, and delays in getting the results. From the figures placed before us this afternoon I believe that that is due to an insufficiency of facilities, too small a staff, inadequate funds, too much perhaps of voluntary work, although we all appreciate what has been done in that way; nevertheless a person who undertakes a job voluntarily very often finds other things intervening from time to time which are his livelihood and must come first, and in that way delays may occur. I would point this out to the committee, that we are appropriating only one million dollars for this tremendously important service to which other countries are contributing as much as twenty per cent, not of their total war expenditures, but of their total expenditures on auxiliary services. By comparison our one million dollars, or one five-thousandth of the amount of money we are spending for the war, is an exceedingly small amount for this great educational service. I think that the people who are directing this service, or are responsible in any way or have any say as to the appropriation and the amount of service that shall be given ought to be people who believe in education, who do not believe, as this gentleman does, that a child of fourteen ought to be turned on to the labour market. In every progressive country in the world to-day an attempt is being made to prolong the full-time school age to sixteen. The age of fifteen has already been adopted by many countries, and sixteen is the objective.

I think we should be careful not to allow any of our educational services to be interfered with by people who do not believe in education beyond the age of fourteen, and this gentleman evidently does not. I recognize the fact that he is a great business man and may be doing an excellent job in some other respects in connection with the auxiliary services, but I question whether anyone holding his views on education ought to be in a position where he can in any way interfere with the expenditures, which of course mean either expansion or curtailment of educational facilities. I urge upon the minister and the house that they see to it that we spend much more than we are now spending on our educational services for the army, the navy and the air force and for prisoners of war. I hope that too will go for the entire country.

I was reading only to-day the bulletins which no doubt other members have received because evidently they are sent out from Washington on a list obtained from parliament. They are published by the Soviet Union; and I have noted over the past four or five months the tremendous expansion they are undertaking in their educational facilities, even during the war. Twenty per cent of their budget for civil projects this year is for the expansion of education in Russia. We have to keep on our toes if we are to build up the kind of Canada that most of us hope to see. We may differ as to the methods, but I believe every member of the house wants to see a better Canada than we have at the present time. I think we will all agree, no matter what our views may be as to methods, that a better Canada must be based on a sound and progressive educational policy.

Mr. LaFLECHE: Mr. Chairman, I have listened very carefully to the views which have been expressed by the hon. member. I wish to assure him and the house and the public and members of the armed forces that all the demands made by the departments of national defence for educational services have been met. I wish to make it clear beyond peradventure that it is the departments of national defence which set the pace in this matter. The Canadian Legion Educational Services do not of themselves initiate any particular programme. They carry out what is demanded of them by national defence working through my department.

Mr. Burton, a distinguished gentleman, who is chairman of the national war services advisory board, is fully aware of the fact that when he deals with a budget, as it is

called in these circles, he is dealing with requests made by the departments of national defence, and his only motive is to see that their demands are satisfied without extravagance and with due regard for economy. It has been my privilege to meet Mr. Burton only since I have had the honour to be the head of National War Services, but since then I have seen him on a number of occasions and I have been with him and with the ladies and gentlemen of his committee when they were going over the details of these budgets. I have seen them at work on a number of occasions, and I have not discovered in Mr. Burton, in the fairly large number of contacts I have had with him in discussing these and similar proposals, the slightest trace of narrow-mindedness, whether it be in education or in anything else.

I am not of course in a position to interpret the words which are attributed to Mr. Burton through the source mentioned by the hon. gentleman. I do recall from what I heard read that Mr. Burton would have some boys go to work earlier, but he added that they should resume their studies later. He may have had some particular things in his mind when he said that. I judge Mr. Burton from his value as chairman of the advisory board, through his value to my department and his value to Canada. It is needless, I think, for me to say much about his many great acts of charity and public service. Whatever his real views may be upon education, I can assure hon. members that the members of the forces have not suffered; on the contrary, countless numbers have very greatly benefited through the efforts and the contributions in kind and in money made by Mr. Burton.

Speaking so of him, I think that in a general way my remarks about this distinguished gentleman can be applied generally to the other members of that committee.

I say again that I shall review carefully the suggestions and the representations made this afternoon, that Canada may continue to be the best democratic nation on the face of the earth, where true democracy flourishes, in my opinion, better than in any other nation.

Mr. MacNICOL: Has the department or the Canadian Legion Educational Services considered giving to what may be called their students, who are the soldiers who have now been in the army from one to four years, and in attendance at their schools, some form of certificate or diploma which will assist them when they come to make application after the war for positions in business or elsewhere? I believe it would help them materially if they could show evidence of having attended courses given by the Canadian Legion Educational Services. A young man who has spent perhaps five years in the army and makes application for a position in civil life may be more or less handicapped in competition with a young man who has attended business college or some other school, unless he is able to give evidence of having been trained vocationally during the years he was in the army.

I did not hear what the minister said about educational facilities for Canadians in war prisoner camps. I gathered that something was mentioned by him, and I should like a further explanation in that regard if he is in a position to give it. The Germans themselves, being so fond of education, surely would have no objection to the provision of educational facilities for our young men who are now prisoners of war.

I was sorry to hear the leader of the Cooperative Commonwealth party say what he did about Mr. Charles Burton.

Mr. COLDWELL: It is true. He said it himself.

Mr. GILLIS: You have his own words.

Mr. MacNICOL: You have stated what he is reported to have said. Now I am going to say what I want to say.

Mr. COLDWELL: I gave his own words.

Mr. STIRLING: You distorted it.

Mr. MacNICOL: Mr. Burton at the moment is gravely ill.

Mr. COLDWELL: I did not know that.

Mr. MacNICOL: He has devoted a lifetime of keen application to the building up of this country. He began at fourteen years of age; he was trained in the school of hard knocks. In that school he learned how to develop this country. For a considerable time he has been the head of a great company, the Robert Simpson company, employing, I suppose, from ten to fifteen thousand people. I am always ready to take off my hat and give the sincerest feeling of my heart to the man who provides employment. I know many Robert Simpson company employees, and I have never heard one of them speak other than highly of the management of the Simpson company. I am not very well acquainted with Mr. Burton, but in my business days I came in contact with his work, and I am sure that anyone who knows the facts will admit that his association with the Toronto Industrial commission and his direction of that organization for quite a number of years has resulted in the establishment in Toronto of between a hundred and two hundred and fifty small companies and the provision of considerable employment. I will never sit quiet and listen

to censure of a man who gives employment. Men who give jobs to people in large numbers—

Mr. COLDWELL: One day a week.

Mr. MacNICOL: —deserve commendation instead of censure. I have known, too, of Mr. Burton's activities in the Big Brother movement; they have been legion and have resulted in rich returns to society. I do not know what our great city would have done but for this movement and many others of a helpful kind with which Mr. Burton has been associated. He needs no defence from me, and I do not know him well enough to engage in such a defence in detail; but I do not like to see any of these men who do things, who make things, who give employment in a big way, as Mr. Burton has done, censured for what they have done.

Mr. COLDWELL: I did not censure them for what they had done.

Mr. MacNICOL: Particularly when they started to work as young as the age of fourteen.

Mr. COLDWELL: And want everybody else to start at fourteen.

Mr. MacNICOL: I like to see a young fellow start at an early age, right in the school of hard knocks, if necessary, learning things with which he can not only advance himself but elevate along with himself a multitude of others.

I have known Mr. Burton to be associated with many good works. I know he is most charitable; he gives freely, and what he gives he has made during his lifetime, in a career which began on the lowest rung of the ladder. There is not a man or woman in this chamber who had a more humble beginning than Mr. Charles Burton had, and I know of no one in the House of Commons who has done more for his family and relations, and not only for them, but for a multitude of others, than Mr. Burton has done. I am very sorry that his name has been belittlingly dragged into the story of the educational work which has been so ably recounted by the minister.

May I add, too, that I admire the way in which the minister has accustomed himself to speak English fluently. His achievement is somewhat of a reflection upon those of us who cannot speak his language with equal fluency. I like the way he set out his record of achievement in his department. It is a great achievement as the hon. member for Rosetown-Biggar observed, and I congratulate the minister upon it, with the small amount of money at his disposal.

I repeat that I hope some way will be found of giving recognition to these young soldier students. It might be done by means of a certificate which could be called the certificate of the Canadian Legion Educational Services, or of the national war services educational committee, or something of the kind. It could be used to support the soldier's application after the war when he finds himself in competition with others who may be able to cite a long list of the schools or other edutional institutions which they have attended. Will the young applicant be able to put in his application:

> I herewith enclose copy of certificate awarded to me by the Canadian Legion Educational Services or by the National War Services Department for the use of my time in the evenings and in my spare time while serving my king and country during the late war?

Mr. LaFLECHE: I am indeed pleased to assure my distinguished and esteemed friend the hon. member for Davenport that there is already in effect a system whereby students will receive certificates of attainment as they leave the army. I take it that is precisely what my hon. friend had in mind. In regard to prisoners of war I did place on *Hansard* a while ago something of which this is the gist:

> All Canadian Legion educational services courses, all Canadian university courses, and whatever special courses and educational material are requested by next-of-kin are available to Canadian prisoners of war in Germany and enemy occupied territory.

That applies to all prisoners of war except those in Japan. We know that all prisoners of war held by the Japanese must be considered to be suffering more than our men held in prison camps by others of the axis powers. I am sorry I have to make that exception with regard to Japan, but otherwise the statement is correct.

Mr. GREEN: The minister stated that the request for these courses must come from one of the three defence departments; that is, either the navy, the army or the air force. I should like to know to what extent it is possible for a man in hospital to take advantage of these courses, both the educational courses, using the word in the ordinary sense, and the handicraft and art courses. I do hope that there is some way by which these men can get all these courses. My understanding is that at the present time that is not the case, and yet these men have little else to do. They are in hospital where practically all their time could be devoted to taking those courses. Not only would it benefit them mentally but it would also be of great aid to their health. Could the minister tell the committee what

the position is with regard to the men in the various hospitals not only in Canada but also in the Mediterranean and Great Britain?

Mr. LaFLECHE: The hon. member is quite correct in stating that I said all these proposals must originate with one of the defence forces, but the courses he has mentioned are available at this moment to the men whom he mentioned. It may be that the officer commanding the hospital the hon. member had in mind has not yet asked the district educational officer to see that the courses are made available to the patients; but if he will inquire again from the district educational officer he will see that these courses are available to him, as they are to those overseas.

Mr. GREEN: To what extent are they being given in the large pensions and national health hospitals, for example, the Christie Street hospital in Toronto, the Shaughnessy hospital in Vancouver, and the other large pensions and national health hospitals in Canada?

Mr. LaFLECHE: I think my hon. friend has in mind the cases where the civilian officer of the Canadian Legion calls and makes the necessary arrangements for cases such as that.

Mr. GREEN: No. What I am interested in is to what extent the men who are in these large hospitals are able to take the educational courses. How many of them are taking the courses? I believe if the minister checks that he will find there is a field there for a great extension of this educational work. It may be possible for the men to get it under the present regulations, but I doubt very much whether they are getting it to any large extent.

Mr. LaFLECHE: I am afraid I must say I shall have to look it up. I have forgotten the figures of how many men are taking it, how many patients in any given hospital out of the total number of hospitals are taking the classes. I gave the total figures and they go away up; however, I shall see that my departmental officers make a check. Most assuredly those courses that have been made available should be brought to the attention of those eligible several times.

Mr. GREEN: The number of men in those hospitals is increasing all the time. The wounded men are coming home from overseas and it is likely the number will increase as time goes on. It may well be that that field will be larger than the field in the actual fighting services.

Mr. LaFLECHE: Ultimately, yes.

Mr. GREEN: I would ask the minister to check up on that situation and let us know, perhaps after the six o'clock adjournment, what the situation is at the present time.

[Mr. Green.]

Mr. LaFLECHE: I shall do my best to get the figures but I cannot promise to have them ready for to-night. I shall, however, give them to the committee. I wish to assure the hon. member that the men he has in mind are eligible for these courses, and I shall check it up to see that the proper people are apprised of the fact that a number of these men either do not seem to be aware of it or perhaps are not intent upon taking the courses.

Mr. NOSEWORTHY: I should like the matter of the advisory committee to be cleared up a little more. As I understand the situation, any private of the armed forces may make application for educational services and that application goes through the minister's department. Does the advisory committee decide whether this service shall be given, or does it decide the amount of money that shall be spent in these particular services, or does it simply make a recommendation regarding the amount of money that shall be spent, which, as I understand, the minister has always approved? I wish to find out what the position is.

Mr. LaFLECHE: The third supposition is correct. The advisory board has power to make recommendations to the Minister of National War Services; and I may say again to the hon. member that on no occasions have I cut down their recommendation in regard to educational services. Perhaps on the contrary I may say that I have at all times made it quite clear that I favour granting educational facilities to our boys and girls in uniform.

Mr. NOSEWORTHY: The minister has said that on no occasion has he reduced the amount recommended. Would he make the same statement in regard to increasing the amount?

Mr. LaFLECHE: I put it this way: I have always argued or made it clear that I was in favour of granting educational facilities to the full extent desired by the Department of National Defence concerned. It might be said, therefore, that I have increased the amounts recommended, but only by my never-failing readiness to say that I believed in education, which has had the effect of preventing decreases whereas I have not as yet increased an amount recommended.

Mr. NOSEWORTHY: Is it a widespread practice to have the amounts voted by parliament to be spent by departments of government pass under review by a committee of business men before they are spent? Just how widespread is that practice within the minister's department, or within other departments?

Mr. LaFLECHE: I think the answer is that all expenditures by all departments should and do receive very careful scrutiny. Sometimes that scrutiny is by what are termed permanent civil servants; in other cases it is by temporary civil servants, and in others, as in the case of the board we have been discussing, by those who are serving Canada in the class of dollar a year men and women, though they do not receive the dollar. They serve an excellent purpose in scrutinizing the proposed activities, or rather the proposals made to carry out the demands of the Department of National Defence. In that way comparatively large expenditures may be scrutinized by those who are not full-time empl yees of any department.

Mr. NOSEWORTHY: Is this, to the minister's knowledge, the only instance in which the expenditure of money voted by parliament for a specific purpose is largely determined by committees of business men?

Mr. LaFLECHE: That is a question I had not anticipated, but I think we can place what is done by the national war services funds advisory board on about the same basis as what is done by the various associations which receive grants from the government. I need not name any particular association, but to numbers of them, particularly in the past, this house voted money to permit certain activities to be carried on. The amounts so voted were, I am perfectly certain, decided after consultation with ladies and gentlemen who had given careful thought to the extent of the activities in question. I think basically that case is about as good a parallel to the present instance as one could find. I would have to look up the situation in regard to other departments.

Mr. NOSEWORTHY: Are there any other instances in the minister's department?

Mr. LaFLECHE: No; that is the only one.

Mr. COLDWELL: Then where does the responsibility of parliament come in?

Mr. LaFLECHE: I take the responsibility. I do not have to act upon the recommendations of the committee.

Mr. COLDWELL: I realize that, but surely an extra-parliamentary committee supervising a government expenditure is something entirely new for a democratic parliament such as ours. It seems to me that we are witnessing something creeping into our parliamentary procedure which we as members of parliament ought to resist. If this is permitted to go on, by and by we may see all kinds of committees of business men coming along after parliament has appropriated the sums of money and deciding how and where that money shall be spent. Perhaps the minister can justify this, though I cannot; nevertheless I think the principle is bad and wrong, and one which this house should condemn.

Mr. LaFLECHE: The committee is properly named; it is an advisory committee which has been in existence for nearly four years. As I tried to explain some time ago, the committee does not initiate projects; it does not say where the money shall be spent. It merely recommends that so much money, or a maximum of so much, could be devoted to a certain purpose to good advantage, and goes into the matter in detail.

Mr. COLDWELL: That is what parliament does when it adopts the estimates. That is the business of parliament, not the business of any advisory board composed of private citizens.

Mr. LaFLECHE: For the moment at least my hon. friend is doing very much the same thing in regard to these estimates, though perhaps it is done in a somewhat different way. Representatives of the several auxiliary services, including the Canadian Legion, the Salvation Army and so forth, sit around a table with the committee and discuss the matter. They say, "National defence wants to do this thing. How do you intend to do it; what will it cost and why?" These matters must be gone into in great detail, by the committee in question and by my department. Officials of my department go over the details of the proposed expenditures in regard to these various projects. Thus we have the advantage of the constructive suggestions of these bright, mature men and women, in addition to what we have in mind ourselves. I can assure hon. members that this committee has done very well by Canada and by the members of the armed forces. I see in this procedure very great advantage to all concerned.

Mr. CHURCH: I have had a long connection with this charity business. At the present time education and other kinds of auxiliary work are being added which are really entirely outside the charities act. Where do we stand on this matter at the present time? The present Minister of National Defence for Air, who was then Minister of Pensions and National Health, on September 9, 1939, shortly after war was declared, introduced and put through the house in about half an hour what is known as the charities act to set up a regulatory body over all the auxiliary services which were brought into being by the war. What was the result? These services had to apply to the minister for authority to carry on, and they had to be listed with his department.

The matter was discussed in this house on July 13 last, when the attendance was very small because a dinner was being held in connection with the meeting of the empire parliamentary association; but in the second year of the war complaints were made, and as a result the Minister of National Defence decided to send the late Doctor Manion to England as a commissioner to investigate and report upon the various bodies that had qualified under the act, including the Canadian Legion, the Knights of Columbus, the Salvation Army, the Y.M.C.A., the Y.W.C.A., the Navy League and some others, to see if there was overlapping. Doctor Manion made a report, which I believe showed considerable duplication, and there is no doubt that there was a great deal of duplication. We have altogether too many of these organizations doing the same work.

Then back in May of last year I asked what the proposed expenditure was for 1943, and in reply the minister gave a list totalling about $6,000,000. Along in July, however, when we asked for a break-down of the figures, that amount had been increased to $7,000,000. A meeting was held here in Ottawa from which the representatives of all these bodies went away feeling very happy, as the hon. member for Qu'Appelle said. No wonder they were happy! They got a million dollars out of it, in the same week. No wonder they were happy. Then they all left Ottawa, singing Hip! Hip! Hurrah! for the various organizations.

Let us see where we are in this matter. We had gone up from $6,000,000 to $7,000,000. Now we have reached a sky-high figure of $12,000,000, which is fifty per cent higher, to be expended this year. Of course they serve many more soldiers now overseas. Then one comes along and says, "We are qualified under the Charities Act." We know that all these organizations are doing good work. They are all doing good work; there is no doubt about that. But that is not the point. The point is: Are we running this affair in a businesslike manner, from a commercial aspect? Are the taxpayers paying, through overlapping and lack of control, once, twice, or three or four times for it?

Those people went away feeling happy, and it was thought that would be the last increase to the end of the war. Now the amount is up to $12,000,000. The finest organization of the lot, namely the Red Cross, came along later in the day and said, "We do not want to be in with these other organizations. We are a separate group, because we have a standard agreement, as we had in the last war, through the International Red Cross. We cannot take government funds because we are a voluntary organization and are in a position quite different from that of the other organizations." There may be some weight in that argument, I am ready to admit. No one can speak in greater praise than I of the Red Cross, because I saw its work in two wars, and during the period of peace between those two wars. I know it was doing a great deal of charitable work. But it must be pointed out that there is duplication. Let me tell the committee this, that that one organization did not get a cent from the auxiliary services. These services have now been expanded, until they extend almost to all the letters of the alphabet.

I have in mind another body which has done a great amount of good work, and has itself collected about $2,500,000. I have in mind the British war victims fund, sponsored by the *Evening Telegram* of Toronto. They do not get a cent from this vote, but they have provided care for those people, and have done good work not only in England but also in Malta and many other places, since the beginning of the war. For that they have not received a cent. They are a voluntary organization, and do not receive anything from this vote. They have financed everything they have done, and their educational work has been good.

What do we find when we come to what are known as auxiliary services? I can say now that the report of the commissioner was never carried out—and I refer to the late Doctor Manion. That was a good report, but nothing has been done about it. Not only do the services get funds from this $12,000,000, but they go to the provinces, and as a result we find much duplication. They have campaigns throughout Canada. The Y.M.C.A. had a campaign for $250,000; and the Navy League, which has done good work, has had a campaign for $200,000. We know that the Salvation Army, one of the finest groups of all in the country, conduct separate campaigns for funds. They go to the municipalities and ask for tag days. There is a tag day almost every Saturday, with the exception of a few Saturdays in the middle of summer.

The minister said last year that he hoped they would expand, and I have no doubt they have expanded. I know the minister has done good work, and I have no doubt, too, that many of these organizations will follow the army in the field. But there is duplication in all this. To-day the army has an organized press following it—a small standing army. And I can tell the committee this, that when

there was criticism about Dieppe and Dunkirk, there was military criticism which suggested that there had been some tip-offs. But the army is followed around, in this Hollywood fashion, wherever it goes, by many organizations, all of which do good work.

The same applies in connection with these auxiliary services. Some of them are operating in connection with churches and other charitable organizations. Some organizations may want to supply a movable canteen, or to send one overseas. Under present circumstances that is not permitted, because of provisions in the War Charities Act. Well, if we are going to have a War Charities Act, then let us have a War Charities Act, or wipe it off the books altogether.

So far as I can see, the auditor general has no control over this fund. My hon. friend, the Minister of National Defence for the Army is not at the moment in his seat. However, the other night, speaking about the war expenditures committee, he said that the auditor general had control of those expenditures, and quoted from a blue book. I hold in my hand a letter from the auditor general, and I shall send a copy of it to the minister; in fact, I did send him a copy. This letter is addressed to me under date of October 2, 1942, and in it the auditor general states that everything I said was absolutely correct, and that he has no control over the war expenditures committee, nor has he any control over expenditures under the war appropriation measure.

A new officer known as the comptroller of the treasury is now in charge of any expenditures coming within the five corners of the war appropriation measure. I refer to security and defence, peace and order, the conduct of military affairs, protection of trade and the carrying out of measures deemed necessary, by order in council.

I can see very little public control over these organizations. I have before me a note with respect to sporting goods used by the auxiliary services, and that brings to mind the fact that in a pamphlet sent out from week to week by the Department of Munitions and Supply there was an item—I believe it was in the issue for last May—stating that that department had contributed $175,000 a year to send sporting goods to the armed forces within Canada and overseas. Many organizations are doing the same thing.

I have looked into this matter as well as any hon. member, and I am convinced there is duplication by application to other departments for funds, and that some restraint should be imposed. What was the purpose of the War Charities Act? It was to protect an invasion by auxiliary organizations of the time allotted to victory loan campaigns. The public are asking that something be done, and that some brake or check be imposed on some of these expenditures.

Let me add that I receive many letters from the forces. I believe the minister should carry out the object of the War Charities Act, and should not allow these organizations to come here without hindrance and increase their vote from $7,000,000 to $12,000,000 in one year. There is no doubt the work done is good work, but from what I have seen of it I am convinced that there is much duplication, as there was in the last war. People club together to collect money to send equipment to the soldiers. Even the school children have been raising funds for movable motor canteens, and I say it was never intended that under the War Charities Act that this condition should exist. It was for that very purpose that, when war broke out, there was a determination not to have charity as we had it in the last war.

We are going to protect the victory loan, and see that something is done to eliminate some of the mistakes made during the last war. I know the minister has given a great deal of time to this work, because I have seen him on many occasions in Toronto. His work has been laborious, but I would ask him to try to straighten this matter out. I really believe there should be some further meeting in Ottawa of these public bodies with a view to reducing expenditures, and thereby protecting the pockets of the taxpayers. I say that because with victory loans, Red Cross campaigns, and other campaigns almost every month, I do not see where the money is to come from in this fifth year of the war.

Mr. ROSS (Souris): As one listened to the statement by the minister this afternoon he could not help appreciating the great debt of gratitude owed by the citizens of Canada to the executive of the Canadian Legion. It has been through their efforts that the present educational programme has been carried on and made available to the armed services. Those people above all others in this country are deserving of the gratitude of every Canadian citizen, not only the soldiers and their relatives but those of us who live from coast to coast.

I well remember in the early days of the war suggesting to the then war services minister, the Hon. Mr. Thorson, that instead of having tag days and collections of different kinds for war charities and auxiliaries, they should be taken care of by means of taxation and a pro rata distribution made. I should like to know upon what basis distribution is made to the various organizations such as the Canadian Legion, the Salvation Army and other auxiliary services. I understand that the

Red Cross is the only organization allowed to make a canvass but they must first obtain a permit from the department. I desire to know what control the minister's department has over the Red Cross in other respects.

I wish to repeat what has been said by other hon. members this afternoon and suggest that certificates of educational qualification be granted to those chaps in the armed services who are taking courses. Educational standards will mean a great deal to those chaps in the post-war period, and certificates of standing will be valuable to them in getting employment in certain quarters.

I had an experience over the week-end when I met a young chap who had been in the Dieppe raid and was taken prisoner. He had been in a prison camp in Germany until October when he was repatriated. I was glad to learn from him that those men are now able to attend educational classes in that large prison camp. That is a worth-while project and I am glad to know that those men have an opportunity to improve their education. This chap enlisted at the outbreak of war in the Cameron Highlanders of Winnipeg. I was interested personally because he is a pal of another chap who worked on my farm prior to the outbreak of war. This man had had to work very hard all his life. He was married and had four children when he enlisted and went overseas, and I am glad to think he is now able to attend one of these classes and improve his educational qualifications.

All this is due to the Canadian Legion and its executive, and they deserve great praise for the manner in which they have carried out this work. I know that in the early stages of the war they did have difficulty in having their budgets passed by this board headed by Mr. Burton and I am glad to hear the minister say that they are now receiving practically all they ask for. I should like to have him explain how the division is made among the various auxiliary services such as the Legion, the Salvation Army and others.

We cannot say too much in praise of the volunteer efforts which have been put forth by the citizens of this country in connection with the Red Cross. Had it not been for the Red Cross many men who have been taken prisoners of war would have had a rather tough time at certain periods. The Red Cross parcels have proved a wonderful help, and we owe thanks to those citizens who have given so generously of their time and money to foster the work of this organization. Many of us do not know just how much these parcels mean to prisoners of war.

[Mr. J. A. Ross.]

Mr. LaFLECHE: The hon. member for Souris has asked about the Canadian Red Cross. Of its own volition that organization chose not to come in with the other auxiliary services. They pointed out, and have pointed out since, that the Canadian Red Cross Society is in close affiliation with the International Red Cross Society and their work is covered by conventions. Therefore they felt that they could do better work and their position would be clearer if they continued to ask Canadians to provide privately for their many requirements. As in the case of the auxiliary services, the Department of National War Services looks over the budget of the Red Cross and discusses it with them. Finally a certificate is issued to permit them to go out to try to raise so much money. It goes without saying that every hon. member and every Canadian wish the Canadian Red Cross well. They do a splendid work. A great deal of the money they obtain is used to provide food parcels for prisoners of war, not only Canadian and British but of allied countries.

I should like to say to the hon. member for Souris what I said to the hon. member for Davenport, that students who come under the Canadian Legion Educational Services will receive certificates of attainment setting out the success they have had under that plan. The hon. member wanted to know how much money was supplied to the different organizations. I can give him the figures for 1943. While they are not up to date they will show substantially just what has taken place.

Before I give the figures I should like to reiterate that it is the Department of National Defence which says to us, "We need this at such and such a place," be it a hostel, a canteen or an educational service; they tell us what is required and what auxiliary service they want to carry it out. In other words, the particular department of national defence say what they want and by whom they wish it carried out. My department does not say which auxiliary service will run the canteen at point A, the educational service at point B, the hostel at point C, or anything like that. The approximate figures for 1943 are as follows:

Canadian Legion	$3,286,000
Knights of Columbus	1,782,000
Salvation Army	1,928,000
Y.M.C.A.	4,000,000
Y.W.C.A.	520,000
Navy League	361,000

The total is approximately $11,900,000. The Y.W.C.A. is the only auxiliary service looking after the women of our armed forces, and it

operates in Canada only. The Navy League operates in Canada only in so far as these figures are concerned. I would point out to the hon. member for Broadview that the auxiliary services I have just mentioned provide in Canada, in Newfoundland and overseas, the type of service for the Canadian armed services which is provided for the United States forces by the U.S.O. The American Red Cross provides the same services abroad for the United States as is provided in Canada by these auxiliary services. The navy, army and air force institute provides auxiliary services to the imperial forces similar to those provided by the organizations I have mentioned. It will be seen that it is a necessity to look after the morale and the education of the members of the armed forces, and so far as Canadians are concerned, those necessities are made available through these organizations.

There has been an increase, and I am very happy that my hon. friend the member for Broadview brought it up. The increase is due to the very large increase there has been in the number of armed personnel as compared with the year previous. There has been an increase of over fifty per cent in the number looked after by these auxiliary services. I should like the hon. member for Broadview to believe me when I say I am satisfied there is no duplication, and that is borne out by the fact that there is one authority for these six organizations and no two operate the same service.

It will please the hon. member for Broadview who, along with others, to my knowledge has for so long been such a great worker for the returned men—I know and have always admired his very great patriotism—to learn that by reasons of the precautions taken and the arrangements made well in advance by the representatives of the auxiliary services, comforts for the soldiers went to Sicily and to Italy on the very same boats as the soldiers themselves. It is a peculiar story, but some of these comforts, cigarettes and so forth, were packed in Canadian tanks for the voyage across the water. The tanks, of course, were emptied of the comforts before they went ashore and the comforts were carried ashore separately. Therefore the representatives of these auxiliary services shared in the great glory of carrying on side by side in Sicily and Italy with our Canadian fighting men.

Mr. CHURCH: On July 13 of last year, at page 4751 of *Hansard,* the minister gave a break-down for these six or seven services, showing the estimates of their requirements and the allotments.

Mr. LaFLECHE: The figures I then gave were of expenditures. It is not possible with any degree of accuracy to estimate far in advance just what the forthcoming year will bring in the way of expenditure, because there are always changes, new institutions and new establishments. It depends to some extent upon the changes in training. The training is now pretty nearly completed, and our moving armies must be followed by these auxiliary services. That costs money, of course. The increase is due to the establishment of numerous new bases, camps and sites in Canada on both Atlantic and Pacific coasts; new services to navy personnel due to the establishment of new bases; the increase of women personnel in the forces, requiring new services, particularly the establishment of urban health centres; changes in the nature of overseas operations, including new theatres of war. The educational services were budgeted for a year and a half ago, necessarily, so that we can look after the beginning of the coming school year. Then there was the necessity for capital expenditures for the purpose of furnishing Canadian supplies in Newfoundland and in actual theatres of war. There was also an increase in navy, army and air force personnel of approximately fifty-four per cent over the previous year.

Mr. CHURCH: I understood that under the War Charities Act the minister was required to lay before parliament, within fifteen days after the opening of the session, a statement of the disbursement of these moneys, audited by the auditor general. Has that practice been followed?

Mr. LaFLECHE: That comes in the auditor general's report.

Mr. GRAHAM: Mr. Chairman, I wanted to add my meed of praise for the very fine work that the Canadian Legion war services is doing in bringing educational services to the young men and young women in our armed forces who desire to make use of them. Education in its broad sense is the great leavening force which, as the hon. member for Rosetown-Biggar suggested, will in the long run make democracy work. I do not think, however, that the word education should be narrowed down—I do not think he intended to do so—to merely scholastic training. In its broad programme the war services organization has done and is doing excellent work among our young men and our young women in the armed forces, particularly on those occasions when they might feel life becoming monotonous and when their youthful energy demands some form of activity to occupy themselves. If we can on such occasions divert their attention to improving

their minds and equipping themselves a little better to take their part in the post-war world, they themselves—and Canada—will reap a very great reward from this educational work that is being carried on under this department of government.

I do not know Mr. Burton, to whom the hon. member for Rosetown-Biggar has referred, but I do say that he and the members of his committee must be given some credit at least for the very fine results which the minister has laid before us this afternoon. I will go farther. Certainly I would not condemn Mr. Burton for suggesting that it might be wise for young students at the age of fourteen, or fifteen or sixteen, to go out into life.

Mr. COLDWELL: He said fourteen.

Mr. GRAHAM: Many educationalists of the highest repute believe that it would be a very wise thing if every student who intended to pursue higher education were given an opportunity at some stage to go out into the world and learn something of the practical things in life, learn some of those things which a good student must know if he is to make the best use of higher education.

Mr. COLDWELL: Fourteen is normally too young for that.

Mr. GRAHAM: I am inclined to the opinion that fourteen may be too young, but nevertheless Mr. Burton was only suggesting their going out into the world for a period and from my experience in my own family I consider it a wise thing to do, so that the young student, having gained actual experience in the practical things of life, will then take up his education with a new purpose and a new energy to equip himself for life. Undoubtedly he will be benefited greatly by that period of settling down, shall I say, into a purpose that will guide him in the avocation he has chosen. It happened to be my privilege to meet some of the officials in charge of this particular work, and cerainly nothing that I learned on that visit to the headquarters of the Canadian war services lessened the admiration which I have for the work that is being done.

I was told of one incident which will illustrate the real value of education as a morale builder, apart from the training which is given by any educational programme. I believe that many persons, particularly young people, have a sense of inferiority which may develop into a complex if, in this day and age, they find themselves not equipped with reasonable educational qualifications. I was informed that out of a number of army units—regiments or battalions—about one hundred indivdiuals were about to be discharged as unlikely to become efficient soldiers. Anybody who has been in the army knows that in any battalion there are certain individuals who do not fit in and cannot apparently become an efficient part of army life. Consequently these men were being drained out of these battalions and were about to be discharged, when it was suggested that they be brought together and that some examination be made of the factors which rendered them unfit for the duty which was being asked of them. The result of the experiment was remarkable. These men were discovered to be quite illiterate. They could not write and they could not read. Not knowing what was posted on the order board, or able to read any publications, they were incapable of participating in the discussion and appreciation of the orders and documents which were being distributed among their comrades. Accordingly the Canadian Legion war services undertook the task of teaching them to read and write. I shall not enlarge on what was done, but I would point out the result. Of the hundred individuals involved in this experiment, eighty were returned to their battalions, and their subsequent records were those of fine, able members of our Canadian army forces.

That is an extreme instance of the value of education. It shows that the real reason why these young men did not fit into army life was their complete inability to appreciate the nature and purposes of the tasks imposed upon them. To them these tasks seemed nothing but drudgery, a series of regulations and orders which perhaps irritated them and aroused their antagonism. The ability to read and write gave them an opportunity to appreciate the contribution they were making, so that they went back to their units with an entirely different viewpoint. Of course, in all walks of life, including our own, and at all ages, further education along proper lines greatly increases morale and heightens the appreciation we have of the part we play in life.

For this reason, while I do not know that the department over which the minister presides is not sufficiently generous toward this particular project, I urge upon the minister the advisability of making generous provision to carry on this very fine work.

One thought which gave me some concern as I gave consideration to the work of this particular branch in connection with our armed services was that the young men and women who perhaps least of all need this assistance are the most likely voluntarily to take advantage of it and to devote the time and effort necessary to equip themselves, and unfortunately those who most need this assistance will be the last to volunteer. I suggest to the minister that he strongly urge those in charge of this particular programme to see to it, not only that the opportunity is given to all

these young men and young women, but that a certain amount of encouragement—not compulsion—is given to those who most need it to take advantage of the opportunities of training in some particular line. You can lead a horse to water but you cannot make it drink. Sometimes, however, by wise methods you can persuade it. I suggest to the minister that that is one point to keep in mind, namely, that most likely those who readily volunteer to take advantage of this splendid opportunity will be those who least need it, and an effort should be made to bring to the attention of those who do not appreciate it, the advantages to be gained in equipping themselves for later life.

We have learned with great interest of the programme of post-war rehabilitation. This is an important opportunity which, if made use of, will prepare those who take advantage of it, either not to require government assistance in rehabilitating themselves, or, if they do require it, the better to take advantage of it.

In conclusion, I would, as I say, add my meed of praise to the organization itself and to the committee of volunteers who have made possible the results which the minister has outlined to-day. It is a great work, and we can readily and wisely provide the funds which will enlarge and expand and make even greater and finer the results already achieved.

Progress reported.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

NEW BRUNSWICK RAILWAY COMPANY

Mr. H. R. EMMERSON (Westmorland) moved the second reading of bill No. 39, respecting the New Brunswick Railway Company.

Mr. GORDON GRAYDON (Leader of the Opposition): So far as I can recall I do not think that on the introduction of this bill or on the first reading of it the hon. member who is introducing it gave any comprehensive statement as to its effect. This would seem to be the appropriate time to have that done.

Mr. EMMERSON: Mr. Speaker, this bill had its origin in the senate and was passed by the senate on March 22 of this year. The purpose of this bill is to enable the company to reduce its capital by paying off pro rata among its shareholders paid-up capital which is now in excess of its wants.

The company was incorporated in 1870 by chapter 49 of the statutes of New Brunswick. In 1881 the work of the company was declared to be work for the general advantage of Canada, and the company is subject to the jurisdiction of parliament and to the Railway Act. On July 1, 1890, the company leased and demised all its lines of railroad, having an aggregate length of about 420 miles, and all the company's plant, rolling stock and equipment, to the Caandian Pacific Railway Company for a term of 990 years. As a matter of fact, the railway has become part and parcel of the Canadian Pacific railway system in New Brunswick.

By this lease, subsequently made binding on both parties by parliament in 1891, the Canadian Pacific Railway company undertook to maintain and operate the railway system and the New Brunswick Railway company agreed to maintain the corporate existence of the company until the termination of the lease. It is accordingly impossible for the company to go into voluntary liquidation and distribute its assets. Apart from the railway properties the only remaining assets of the company were certain freehold timber lands in New Brunswick which had been granted to it by way of subsidy when the original lines were constructed.

Since 1890 the business of the company has consisted solely in managing these timber lands, granting stumpage rights, and from time to time selling portions of them. In recent years these lands have consisted of about 1,600,000 acres; a substantial portion of this acreage has now been sold to purchasers in New Brunswick, and the purchase prices have already been paid or shortly will be paid in full. The result is that the company will have on hand capital in excess of its requirements. The capital stock of the company consists of 30,000 fully paid shares of the par value of $100 each.

Under the Dominion Companies Act a company incorporated by letters patent can reduce its capital and pay off any paid-up capital which is in excess of its wants (section 49).

Under the Railway Act power is given to a company to increase its capital stock from time to time, subject to the approval of two-thirds of the shareholders and of the governor in council (section 78), but no general provision is made for reduction of capital. Consequently in each case it is necessary to apply to parliament for legislation permitting such reduction.

In the present bill the by-law enacting the reduction has to be confirmed by at least two-thirds of the shareholders and subsequently by the governor in council, after publication of notices of the application for the reduction. In practice this would mean that the governor in council would act on a report and recommendation of the Minister of Transport, because the New Brunswick Railway Company falls within the jurisdiction of his department. The company would, naturally, satisfy the Minister of Transport that they had taken care of liabilities and had funds on hand with which to pay off their shareholders.

I understand that the Minister of Transport has no objection to the bill nor has the Canadian Pacific Railway Company. It is also my understanding that the income tax authorities have no objection to this bill which, in point of fact, merely gives the company, which is to all intents and purposes a land company, the same rights as any other company subject to section 49 of the Dominion Companies Act.

Full details and explanations will be given by those representing the company when the bill comes before the railway committee.

Mr. BLACKMORE: Could the hon. member tell us why this bill came in the back door of the Senate instead of coming into the House of Commons?

Mr. EMMERSON: I understand that is usual. I know of no reason why it came in the back door as the hon. member suggests.

Mr. BLACKMORE: That is what makes me suspicious. I wonder why that was done.

Mr. McLARTY: Private bills are usually introduced in the first instance in the senate, which explains why this reference comes from the other house to this house.

Mr. BLACKMORE: Why the exception in the case of bill No. 37?

Mr. CASTLEDEN: What is the amount involved in this bill?

Mr. EMMERSON: I am afraid I cannot give the details of that, but that information can be supplied when the bill is in committee. The capitalization of the company is 30,000 fully paid-up shares at $100 each. I make that $3,000,000.

Motion agreed to, bill read the second time and referred to the committee on railways, canals and telegraph lines.

SECOND READING

Bill No. 40, respecting Gore District Mutual Fire Insurance Company.—Mr. Homuth.

[Mr. Emmerson.]

WAR APPROPRIATION BILL

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

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

DEPARTMENT OF NATIONAL WAR SERVICES

Departmental administration, $90,907.

Mr. FRASER (Peterborough West): The following news item appeared in the Ottawa *Evening Journal* of February 17, 1944:

Four Canadian women—Mrs. Gordon Konantz of Winnipeg, Miss Agathe Dore of Montreal, Mrs. Jules Laine of Toronto and Miss Helen Doherty of Ottawa—have arrived in the United Kingdom to study the voluntary war work of British women's organizations, the war services department announced Wednesday. The trip was sponsored by the department.

Different fields of study have been allotted to each of the party, so that as wide a survey as possible could be made in the time available. The visit will include both rural and urban centres in the United Kingdom.

The four reports to the department will deal not only with women's war activities but also with their plans for work in the post-war period.

Another item appearing in the same newspaper under date of January 4, 1944, reads:

While the war services department refused to give any information, Liberal ward workers in Ottawa West to-day were protesting the appointment of Miss Helen Doherty to head a delegation of four women on an "inspection" trip to Britain.

Miss Doherty, former secretary of the National Liberal Federation of Women, and now special assistant to War Services Minister LaFleche, has been assigned to survey the work done in Britain by women's volunteer organizations.

And further:

It had been established by this morning that the Catholic Women's League, the Red Cross, Protestant Women's organizations, the Y.W.C.A. and other organizations, which have been doing the actual work in voluntary services, had not been consulted on the appointments.

Miss Doherty left her post in 1940 as secretary of the national federation of Liberal women and shortly afterwards received an appointment to the war services department.

On March 18, 1943, I asked certain questions in regard to Miss Doherty, as follows:

1. In what capacity is Miss Helen Doherty employed in the Department of National War Services?

2. What are the duties attached to such position?

3. How long has she been employed in such position?

4. What is the total remuneration which has been paid to her, either by way of salary or honorarium?

5. What is the total which has been paid to her by way of travelling expenses and living allowance?

The minister gave the following information:

1. General assistant.

2. Assists generally, makes surveys and special studies of activities of the department, exercises supervision as required.

3. Two years and six months.

4. $9,190.

5. $162.85 travelling expenses.

The minister stated that this lady made surveys for the department. Later on I should like him to tell us what surveys she has made. Then on March 24, 1943, I asked another question:

What sums and on what dates were payments made to Miss Helen Doherty as special assistant to the Minister of National War Services?

The minister replied as follows:

The following payments have been made to Miss Helen Doherty as general assistant, Department of National War Services, as authorized by order in council P.C. 118/8785 on the 26th of September, 1942:

1942—	
October 7—To August 31, 1942 (deductions were not then being made at the source)	$7,090 00
October 7—To September 30, 1942, $300 less deductions	199 42
October 31—To October 31, 1942, $300 less deductions	199 42
November 30—To November 30, 1942, $300 less deductions	182 61
December 31—To December 31, 1942, $300 less deductions	182 61
1943—	
January 30—To January 31, 1943, $300 less deductions	182 61
February 27—To February 28, 1943, $300 less deductions	182 61

On March 5, 1941, the hon. member for Huron North asked these questions:

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?

I should like the minister to answer these questions, and I wish to ask further why it is necessary for Miss Doherty to visit this House of Commons quite frequently. I know she was around last session. I do not think she called upon any of the Progressive Conservative members or any of the members belonging to the other opposition groups, but certainly she paid visits to Liberal members and senators. I should like to know what amount Miss Doherty received by way of expenses for her trip to Britain, and what the other women received. I should like to know also if we can get a copy of any report that may have been made as a result of this trip. I think the committee would like to know what Miss Doherty does in the department, and also why the lump sum of $7,090 was paid to her. I think it is very unusual to pay a lump sum to a person who is supposed to have been in the service for two years. Why was she not paid on a monthly basis from the very first?

Mr. LaFLECHE: I take it, Mr. Chairman, that the questions which have been read by the hon. member have been answered in this house.

Mr. FRASER (Peterborough West): Partly answered.

Mr. LaFLECHE: As to the matter the hon. gentleman mentioned a moment ago, in regard to this young lady visiting the House of Commons, I have no knowledge of that unless it was to call at my office with reports when she had occasion to do so, as do other employees of my department. As to her expenses for the trip to Great Britain, and the expenses of the other ladies, I have no knowledge; this is the first time that question has been asked, but I shall be very happy to get the information and bring it down in the house. My hon. friend asks what Miss Doherty does. When the Department of National War Services was first contemplated a staff had to be found, a plan of organization had to be drawn up and certain positions had to be filled. I have it on good authority that at the very beginning this lady was considered for a position carrying a remuneration greater than she is now paid. I do not know precisely what was in mind but I have seen a proposed plan of organization under which the department was to have been divided into four divisions, and Miss Doherty was under consideration to head one of these divisions at that time. That did not materialize. Yet she had been called into the department in August or September, 1940, on the understanding that she was being called in to take over the work. I think she was given an idea of about what

was in mind by way of organizing the department. She remained there and, finally, at the time mentioned by the hon. member for Peterborough West, she was paid at the rate of $10 a day, if I remember correctly, for the time she had put in in the department.

Then she was appointed general assistant, or special assistant, at a rate of $3,600 a year. That is the story of Miss Doherty's coming into the department and remaining there. Since then Miss Doherty has gone to Great Britain, with three other ladies, to represent the department there. She has returned, and with the other three ladies is busy writing a report of what was seen. Since her return, however, she has taken on other duties, one having to do with discussions concerning repatriates, which have just arisen, and about which I do not know very much myself.

Another piece of work she has taken on for the department—or for me, if you like—has been to follow the proceedings of the special committee of the House of Commons on radio broadcasting. Then, again, since her return to Canada, very recently also she has been a member of an interdepartmental committee in respect of UNRRA, which was mentioned last week in the house.

That, I regret, is, as well as I can remember, the hon. member's questions.

Mr. FRASER (Peterborough West): Would the minister tell us why these four women were picked? How were they picked?

Mr. PINARD: The department picked them; you would ask.

Mr. FRASER (Peterborough West): I know I have asked; we want to know.

Mr. PINARD: You ought to know.

Mr. FRASER (Peterborough West): We want to know.

Mr. PINARD: I should like to know what difference there will be, so far as the interests of the general public are concerned. Every member who rises from the other side of the house—not every one, but some of them—always says, "I want to know, and the people want to know". Do the people ask you to find that out?

Mr. FRASER (Peterborough West): The people of Canada certainly need to know where their money is going. And any hon. member in this house who thinks they do not want to know is absolutely wrong. The hon. member who has just spoken has made a very peculiar statement. It is a statement which will go down with this government, and will help to put the government absolutely out of power when the next election comes along. The hon. member who has just spoken knows perfectly well that money is being spent which should not be spent.

Mr. ROSS (Souris): Squandered.

Mr. FRASER (Peterborough West): Money is spent in that way. Is there an hon. member in the house who knows of any civil servants being paid a lump sum for work they did two years ago?

Mr. ROSS (Souris): Just a hand-out.

Mr. FRASER (Peterborough West): Is there any hon. member who knows of that? If so, I wish he would rise in his place and tell us.

Mr. BERTRAND (Laurier): The question is whether it is due or not.

Mr. FRASER (Peterborough West): I believe the amount is $9,070—a lot of money.

Mr. PINARD: For how long?

Mr. FRASER (Peterborough West). And you are asking the people of Canada to-day to go out and buy victory bonds.

Mr. ROSS (Souris): And for what service?

Mr. FRASER (Peterborough West): We want to know, and there is no reason why a member of parliament should not know. I asked a question in the house to-day in regard to grapefruit juice. The minister in his reply said it would not be in the public interest to give that information. Then I asked if he would tell me privately. Why did I ask if he would tell me privately? Because I wanted it on *Hansard* that a member of the House of Commons—

An hon. MEMBER: Order.

Mr. FRASER (Peterborough West): I do not think the hon. member has any right to say "order".

Mr. ROSS (Souris): He does not want the story.

Mr. FRASER (Peterborough West): We want the truth; do not try to hide it. I asked a question, and asked if the minister would let me see the figures and the names. I asked that for one purpose only, namely to have it on *Hansard* that a member of this house in opposition has absolutely no chance in the world of getting at the facts, to find out where the money is going.

I have asked why this lady was appointed. I have asked by whom she was appointed. I have asked why she was appointed and who appointed her to go overseas, and how those ladies were appointed. There are women across Canada—thousands of them—doing voluntary

work, working day and night in salvage depots, and doing other work; and they are not getting one red cent for it.

An hon. MEMBER: And do not want any.

Mr. FRASER (Peterborough West): And, as an hon. member says, they do not want any. They do not expect any. They are doing it for love of country.

Mr. ROSS (Souris): This might be love of party.

Mr. FRASER (Peterborough West): And I do not think the hon. member for Ottawa East would have risen in his place and said what he did, had he thought things over. We want to know the facts.

Mr. PINARD: This is probably one instance when it may be shown—

Mr. FRASER (Peterborough West): Speak louder; I cannot hear you.

Mr. PINARD: My throat is sore; you had better try to hear me. It is not surprising to me that I cannot get the ear of hon. members on that side of the house, and particularly the hon. member for Peterborough West, when a question of this kind is raised. If you touch the smallest item you get more from that hon. gentleman than you get from any other hon. member in the house, so far as criticism is concerned. But he would let millions go by without any interference. He talks about his patriotism. He talks about many things—

Mr. FRASER (Peterborough West): Mr. Chairman—

Mr. PINARD: Take your time. I will speak louder later when my throat gets better. I have followed my hon. friend for a long time. I know what service has been rendered by the ladies of this city and outside this city. When he says that people have not been paid for two years, after being employed for the last two or three years, I do not see how he finds that out, or how he got that information.

Mr. FRASER (Peterborough West): It is right in *Hansard*. I will refer to it.

Mr. PINARD: I am not speaking for the minister at the present time. Anyone who has given service for a year, or two years, or three years, is entitled to a remuneration. I do not know whether it is taxed or not.

Mr. TUSTIN: Do you agree to paying her for two years after she has rendered the services?

Mr. PINARD: I agree to pay for whatever services she rendered.

Mr. TUSTIN: Possibly you made the recommendation for her appointment.

Mr. PINARD: Well, why not?

Some hon. MEMBERS: Oh, oh!

Mr. BOUCHER: Are there any other illustrations just like that?

Mr. PINARD: Sit down, Carleton!

Mr. TUSTIN: I said that maybe you made the recommendation.

Mr. PINARD: I did not. She is not in my riding, and there was no question of politics so far as her appointment was concerned. I know a little bit about this case, and I am glad I rose to get the facts before us, because it is said all the time by the Tory opposition, whenever they rise, that they do not only speak for themselves, but speak also for the people of Canada.

Mr. BOUCHER: Tell us what her position was before she got this appointment?

Mr. PINARD: The hon. member for Carleton is very anxious about the appointment. It will take you a long time to recommend anybody who will be placed in an appointment, because you are staying there for a long time. You do not want to hear about the appointment.

Mr. GRAYDON: Is the hon. gentleman whistling to keep up his courage?

Mr. PINARD: May I say to the leader of the opposition that my courage has always been the same. All members of the house are trying to render the best service they can, and yet here we have an hon. member making so much fuss about an expenditure of five, six or seven thousand dollars when much more money is thrown away—

Some hon. MEMBERS: Hear, hear.

Mr. PINARD: The members of the opposition applaud, but let me finish—so much money thrown away by organizations directed by Tories, commissions and all that kind of thing. I do not know why Mr. Boucher will not say a word about this.

The CHAIRMAN: The hon. member must refer to other hon. members by their ridings.

Mr. PINARD: He is the hon. member for Carleton. I do not know why so much fuss should be made about this particular case. It was said a moment ago that I recommended this appointment. I do not like to ask my hon. friend to withdraw because it is picayune business on the part of any hon. member to speak of recommendations.

Mr. TUSTIN: I did not state that the hon. member had made a recommendation.

Mr. PINARD: I will say "small," if you do not like the word "picayune." My English has been learned on the street.

Mr. TUSTIN: You have a lot to learn all right.

Mr. PINARD: Are you going to be my teacher?

Mr. TUSTIN: I certainly should not like to be.

Mr. PINARD: These things should not be brought up when we are doing the best we can to win the war.

Mr. ROSS (Souris): Who are "we"?

Mr. PINARD: The minister is endeavouring to conduct his department in the best interests of the general public and I cannot understand why we should lose so much time over such a small item. My hon. friend may like to do this, probably from a sense of fear, but I dislike it. I do not think it is proper. I do not think it can be said that this department has thrown away one five-cent piece, that it has not made all the expenditures it has made in the interests and for the advancement of the country.

Mr. FRASER (Peterborough West): Was it not Caesar who said, Methinks thou protest too much, dear Brutus?

Mr. PINARD: My friend protests too much about his honesty.

Mr. FRASER (Peterborough West): I have never said I was honest, but I hope I am. The hon. gentleman has said that I only go after small things. The reason why we have to deal with small things of this kind is that when we get into the big money, the items where millions are spent or thrown away, as the hon. gentleman said himself, we cannot get an answer. If the hon. gentleman will look at page 1041 of *Hansard* of March 2 he will see that I asked a question with regard to shipbuilding, which means millions and millions.

The CHAIRMAN: The hon. member realizes that we are not on shipbuilding. I hope hon. members will keep within the item that is before the committee at the moment.

Mr. FRASER (Peterborough West): I bow to your ruling, Mr. Chairman, but I just wanted to show the hon. member that I have tried to get proper answers. Whenever that has happened we are told by the government that it is not in the public interest. I want to tell the hon. gentleman and this committee that the people of Canada are interested in where their money goes. That is why I asked the question I did to-night. I should like to get an answer. I should like to know why these four women were picked. I should like to know who selected them to go overseas. I should like to know whether the women doing volunteer war work were consulted as to who should go. I do not think they were, but I want to know.

Mr. BOUCHER: Perhaps I could amplify the question somewhat. The hon. member for Ottawa East seems to know a lot about Miss Helen Doherty. Probably he can tell the minister and he will be able to give us some of the answers to these questions. What was Miss Helen Doherty doing before she went into the Department of National War Services? What was she doing during the two years for which she received $7,090? Upon whose recommendation was she appointed? What were her peculiar qualifications for the work she was doing? What was the pay of the two women who went over with her? What report did she make? We should be given full details of that report. I am sure if the minister cannot answer these questions the hon. member for Ottawa East will be able to help him since the hon. member seems to know so much about Miss Doherty. This is an item of $9,000, but if the hon. member for Ottawa East thinks that $9,000 paid to a lady for two years' services is picayune and if he knows of other occasions where money is being wasted, probably he will tell the committee and we will try to get to the bottom of them. This thing is in the fire, so let us pull it out of the embers.

Mr. PINARD: The hon. member's question is so elaborate that I would ask him to put it on the order paper and I shall try to answer.

Mr. LaFLECHE: If I am permitted I shall do my best to give an answer. I trust that my words will not be taken amiss when I say that as far as I am concerned personally it is a matter of regret that the names of individuals who cannot be here to defend themselves are mentioned, as occurs at times. The question of the payment of public money is a matter of great importance; every hon. member has a right to ask his question and every question should be answered carefully and correctly. No one has a greater interest in the careful spending of money than those who have the honour to be members of the administration. As far as the department over which I have the honour to preside is concerned, I make bold to say that great care is taken in expending the people's money. I have been told by the civil service commission at times that I was attempting to run my department too economically. I leave that statement with the hon. members of this committee.

To return to the case in point, when the lady whose name has been mentioned this

evening first joined the department there was no staff; there were no superintendents; there were no directors; this was a department that started at full speed before there was time to get it organized. All the employees of the department—they will be glad to confirm this if necessary—were going night and day for at least the first year and a half, each doing what he could to see that the work was kept up to date. Among these was the lady whose name has been mentioned this evening. The payment that was made to her was made a long time after she had carried out her work. She rendered great assistance to the department, but because of a series of events it was impossible for her to be paid. This went on from month to month and year to year with the employee not being paid and nevertheless not protesting, although that was not a very comfortable position for anybody to be in. Finally my predecessor saw to it that it was made possible to pay the lady. The larger amount mentioned by the hon. member was such only because it covered nearly three years.

The question of sending the ladies overseas to represent the department arose early in 1943 when I, as Minister of National War Services, thought it would be helpful in promoting the contribution of all Canadian women to the dominion's war effort to send a small delegation of Canadian women representing the Department of National War Services to survey what was being done in Great Britain by the women of that country, and upon their return to report on what they had seen. Then that information would be made available to all Canadian women through their organizations or otherwise. The Dowager Marchioness of Reading, Chairman of the Women's Voluntary Services for Civil Defence in the United Kingdom, having learned of my intention in this regard, last May indicated that her organization would be delighted to extend every possible cooperation to the ladies who would come from Canada to survey the work being done by the women of that country in Britain's war effort. At a business conference of the Canadian women's voluntary services and others in Ottawa on June 28, 29 and 30, 1943, I expressed the hope—I announced, if you like—that the war services department would try to send a delegation of three or four Canadian women to study and report upon the operation of British women's organizations doing patriotic war work.

In this house, Mr. Chairman, in reply to a series of questions by the hon. member for Danforth on July 12, 1943, I set out precisely how the choice of the department's representatives would be made, and that procedure was followed. My proposal, as I thought was thus made clear from the very outset, contemplated a somewhat broader mission than merely sending representatives who would confine their activities to surveying any one women's organization in the United Kingdom, and was designed to make available to all Canadian women information that they could use to the best advantage in their work in Canada. It must be remembered that there are many women's organizations doing patriotic work in Canada, just as there are in the United Kingdom, and the Department of National War Services has a broad and continuing responsibility to assist, in whatever way may be possible, the Canadian women doing patriotic work in Canada in support of the war effort.

No objection reached me following my statement in this house on July 12, 1943, in reply to a series of questions by the hon. member for Danforth as to how the department's delegation would be chosen, and I proceeded accordingly as had been announced.

The members of the department's delegation were Mrs. Gordon Konantz of Winnipeg, Miss Doré of Montreal, Mrs. Laine of Toronto and from the department, largely for departmental purposes, Miss Helen Doherty of Ottawa. Since Mrs. Konantz and Miss Doré were prominently identified with women's voluntary services working in Canada, quite naturally they were assigned the duty of observing what was being done by the women's voluntary services for defence in Great Britain. Mrs. Laine, who had been active and very successful in regard to other women's work, and Miss Doherty who has a splendid record of work in connection with women's work, and particularly in work for returned soldiers, were given other assignments.

I should like to emphasize that these four Canadian women were chosen, not as individuals representing any particular group, but as representatives of the department, with special emphasis in the case of two of these ladies in connection with women's voluntary service work. One departmental official was included for the obvious and necessary purpose of ensuring continuity in the interests of the department and of patriotic work by all women's organizations in the dominion. It was necessary, however, before the ladies left Canada, to deal with this matter with great secrecy for security reasons, to safeguard the delegation in travelling by boat to and from the United Kingdom in the midst of hazardous war-time conditions at sea.

Maybe because they did not apprehend all aspects of my intentions and of the department's intention in sending the departmental delegation to Great Britain to examine the patriotic work of all women's organizations there for the benefit of all Canadian women's organizations and of all Canadian women, some ladies in Canada were moved to express regret that the delegation was not composed exclusively of women identified with women's voluntary service work here. My conception of the situation and of the requirement was that if we took up any women's work we had to do our best to take up all of it, and that will be the result when we read the reports from these four ladies. I have already said this evening that the four ladies in question are now busy writing their reports.

I should like to add that the ladies in question, each one of them, were highly recommended to me. In the case of Miss Doherty, she being a departmental employee, that matter was not of so much significance as in the case of the other three. Not only were they very highly recommended, but the reports I have had from Lady Reading in Great Britain are that she had great admiration for the work these ladies did over there. I hope to have their reports soon, when they will be brought to the attention of all Canadian women's organizations for their information and, I trust, for their assistance. I think that is the answer which my hon. friend requested.

Mr. FRASER (Peterborough West): I wish the minister to understand that I have absolutely nothing against Miss Doherty or any of the other ladies. It is wholly a question of how these people are engaged and how they are paid. The minister said that it was owing to a series of events that Miss Doherty was not paid for over two years—almost three years, he said. He did not tell us what the series of events was, or why, when she was hired, no provision was made in the order in council for payment. I asked, what did Miss Doherty receive for expenses on the British trip; how long was she on that trip; did the other ladies receive their expenses; did they receive any salary, or how was the matter worked?

Mr. LaFLECHE: Miss Doherty being a departmental employee, her pay continued. All the ladies were given the same amount of expense money. I am sorry that, since I did not know the question was coming up, I have not the figures. Mrs. Laine, one of these ladies, has advised the department that she will not put in any claim. She not only offered her time but has declined to accept any expense money. That is greatly to be admired. It is only fair to say, however, that it is not possible for all persons under such circumstances to refund advances and to decline to put in their accounts. However fine it is, it is something we shall all agree cannot be expected of everyone.

Mr. FRASER (Peterborough West): I quite agree with the minister that there are many women who cannot afford to pay their own way, and who should be reimbursed. Perhaps at the next sitting the minister will be able to tell us what they got.

Mr. LaFLECHE: If I may, I will treat it as a question.

Mr. FRASER (Peterborough West): Yes.

Mr. ROSS (Souris): The minister in discussing this last matter said that Miss Doherty had been engaged in radio broadcasting. I have had many letters from people in western Canada asking about a Miss Claire Wallace, who is engaged in radio broadcasting, and I have received many newspaper clippings, and inquiries as to what salary and what expense account this lady receives from the government. If this comes under the minister's jurisdiction I believe it would be well, in the interests of the country, if we could have a satisfactory answer immediately. Many people are asking if this woman is worth her hire in the matter of war savings stamps. I believe that is the chief reason why she is engaged; and since the sixth victory loan is just now being launched many people may make this matter an excuse for dilatoriness about subscribing to the loan. Perhaps the minister would give a detailed statement of what this lady's salary and expense account have been during, say, 1943; what salary she now receives per month, and what expenses she is allowed. It would give our fellow citizens who are trying to sell victory bonds an opportunity to clear up possible misconceptions, because this question is very interesting at the present time to many people throughout western Canada.

The CHAIRMAN: Order. Before the minister answers, may I say this. We are now discussing the item of war charities. I hope it will be found possible to restrict the discussion to that item.

Mr. ROSS (Souris): This is administration.

The CHAIRMAN: Well, this is administration of war charities. The committee will have before it items concerning administration of all the other branches, and I think it would simplify the work of the committee and also of the minister concerned if the discussion were related specifically to this item.

Mr. LaFLECHE: I trust that, when we come to other items which have already been discussed, hon. members will recall the fact. I welcome questions such as have been put this evening. The hon. member for Souris mentioned Miss Claire Wallace. I regret very much that I am not the competent authority to answer. I have seen, of course, something in the press, and the matter was brought up in the radio committee. But the lady is not employed by my department or by the Canadian Broadcasting Corporation. I believe she was given some work to do, that her services were required by the war finance committee. To give any figures would be to guess, and I hesitate to do that. But the matter is not in my department.

Mr. ROSS (Souris): The reason why I asked this question on administration was in order that the minister, if it related to the C.B.C., could deal with it. I now understand that she probably is hired by the war finance committee to sell war savings certificates. I do not know anything about this myself, but I have had dozens, if not hundreds of letters from many parts of the west in recent months, and because some people are making it an excuse to hesitate about subscribing to the victory loan, the sooner the matter can be cleared up, the better. I may have to wait to ask the Minister of Finance, but I thought it might be answered under the C.B.C. item.

Mr. LaFLECHE: I feel very much as the hon. member does, and I can only say that I regret very much that I have not the information. All I could say would be guesswork, and he does not want that.

Mr. ROSS (Souris): Oh, no. It has been reported that this lady now receives $200 a week and an expense account. If the minister could get the information and give it on behalf of the government, it would be in the interests of the country to have the matter cleared up quickly.

Mr. HANSELL: I do not want to interrupt the continuity of discussion; that, perhaps, is one thing which frequently happens when we are in committee. From one matter we jump to another; then we return to the first subject, then jump to something else, and so on.

This afternoon the minister gave us quite an adequate picture of the courses which are administered through his department to men serving in the armed forces. I should like to know whether his department is responsible for the lectures which are now being given in various branches of the armed services with respect to post-war rehabilitation. A series of lectures is being given to inform members of the armed forces of what will be done for them after the war. If this activity comes under the minister's department, I should like the opportunity of discussing it now. If it does not come under his department, would he tell us what department has to do with it, so that I may discuss it under the appropriate item?

Mr. LaFLECHE: I understand that the lectures in question are prepared primarily by the directors of education of the defence departments and by the Canadian Legion's educational officers. I suggest, Mr. Chairman, that if the hon. member wishes to discuss an item it might be better to wait until we get to the next one; but, since we have not differentiated so far, this is just as good a time as any.

Mr. HANSELL: It does not matter very much really, whether it comes under the minister's department or not. The only point is I want to be in order. I think we are all aware that a series of lectures is being given to members of our armed forces on the matter of their rehabilitation when the war is over. I should like some information in that respect and perhaps the other ministers can give it to me. What sort of lectures are they and who prepares them; who are the officers who are lecturing? I understand it is an officer in the particular camp where the lectures are given who gives the lecture. Who prepares these courses? Are the officers competent to give lectures? Who informs them as to what the rehabilitation programme is to be? I have talked with quite a few men in the forces with respect to those lectures. I wonder why the lectures are given. I have no objection to the soldiers being informed as to what the country is to do for them after the war, but I wonder whether there may not be a principle involved. Is it because the members of the armed forces are getting a little restless as to what may happen to them, and we have to pacify them by telling them this?

There is another principle involved and I do not want to be misunderstood as I propound what is in my mind. In making a speech or answering a question the other day the minister said we had to have faith. My work for a good many years taught me that I had to live by faith, and perhaps I know just a little bit about that. There was a time in my life when I used to make it a rule, because I thought it was quite ethical to do so, to trust everyone and consider that everyone was honest until I found that they could not be trusted because they were not honest. I thought that was a pretty good rule to follow in those days, but I have been in politics now for a few years and it seems to me—perhaps

I have fallen a little bit from those high ideals—that I am gradually unconsciously slipping into that place where I do not trust anybody, and consider that everybody is a crook until I make extremely sure he is just and honest. That seems to be about the way I have a tendency to feel. I hate myself for it. But somehow or another that is the life of one who is in politics very long.

I cannot see what kind of lecture can be given to these men on post-war rehabilitation except a lecture on what the present government proposes to do for them. I cannot see what they can be told, apart from the legislation that is at present on the statute books or the legislation that the present government is contemplating bringing down this session.

Mr. JOHNSTON (Bow River): They can be told to vote Liberal.

Mr. HANSELL: My hon. friend says they can be told to vote Liberal. I would not go so far as to accuse any officer giving those lectures of deliberately doing that. But what is the result? What can be expected? It seems to me that it is only natural to say that if the lecturer satisfies the men in the armed forces that the government who is preparing this legislation is going to look after them when the war is over, naturally they will go away with the impression—well, I guess it is a pretty good government after all; I guess we will have to put the X mark down in the right place, and so forth. I hope I am not overemphasizing my fear in that respect, but I believe that is the natural tendency.

Of course, the only proper thing that could be done to offset that would be for officers to be trained and schooled in what all of the other parties in this country would like to do for the returned soldier. In that way the men in the forces would be able to know that between the three in some way or another they would be looked after, and then perhaps the tendency would not be as it is to-day. I believe the lectures that are given to-day on the basis of the present legislation are a bit lopsided.

There is another point. I do not know whether the minister is aware of this, but these lectures are compulsory. The members of the forces are paraded and they have to listen to them whether they want to or not. I hope I do not go to the extreme when I say there is a possibility that the members of the armed forces are forced to listen to our Liberal friends' programme. I am voicing that observation. I trust the minister as much as anyone else does. I have as much faith as anyone else has, but unfortunately I believe that to be the case.

[Mr. Hansell.]

Mr. LaFLECHE: I do not think it is for me to reply to the respected hon. member for Macleod in regard to faith, but I may tell him that the saddest thing is to lose one's faith, and if he would be happy to believe not only in God, but as far as he can in man, it would be a fine thing.

In regard to the lectures mentioned by the hon. member for Macleod I think I explained that they are prepared by the educational officers of national defence working with Canadian Legion educational officers. I do not know that any of those lectures are compulsory; but having been in that position myself for a long time, it may well be that some conscientious commanding officer would parade his men to hear those lectures because he believed in them himself. It is not correct, I am sure, to think, and even less to suggest that these lectures are in the nature of an appeal to vote in favour of the administration. If one were to express one's full thoughts on such a matter one might guess, perhaps, that certain zealous persons might have infiltrated behind the lines and there had some effect upon what was said; but I think in both cases one would be wrong. The motives of these people who work to educate others are good. The commanding officer is there to watch how things are going. I have not heard any stories which would substantiate in my mind the thought which has been expressed by the hon. member for Macleod. I trust that this will be accepted by the hon. member as a reply to his question, but, if not, I shall be glad to listen to and try to answer any other questions he may care to ask.

Mr. BENCE: In connection with the board, headed by Mr. Burton, which was mentioned this afternoon, I endeavoured to follow the minister as closely as possible and he may have given the information I want, but, if so, it did not come to my notice. Would the minister say in what manner the members of this board were chosen. In other words, how did he go about ferreting out the individuals who compose this board? For example, did he obtain recommendations from the various organizations or associations which receive grants? Did he obtain recommendations from the Canadian Legion, the Knights of Columbus, the Navy League of Canada, the Salvation Army and so on? How were the members from the various provinces selected and appointed to this board? Then I wish the minister would tell the committee what expenses have been incurred by the board since its organization. I understand the members are not in receipt of any salary, but perhaps the minister would tell us the number of meetings that have been held, the

per diem allowances, if any, which have been paid the members of the board, and the total expenses to date.

Mr. LaFLECHE: I should like to point out that these ladies and gentlemen were appointed at least two years before I became head of this department, and I am not in a position to say how they were chosen.

Mr. BENCE: You were the deputy minister, were you not?

Mr. LaFLECHE: This came under my associate, the Hon. Mr. Justice T. C. Davis; it did not come under my direction at that time. I am not in a position to say how the members of the board were chosen; but from a few things I have heard I make bold to suggest to my hon. friend that he need have no fear whatsoever of any desire on their part, even three and a half years ago or whenever they were named, to play a game on the loyal opposition.

Mr. BENCE: I am not suggesting anything like that; I just want to get the information.

Mr. LaFLECHE: May we look upon them as good Canadians and judge their value from that one point of view alone? If I were permitted to do the judging I would and I do assure hon. members that these people are excellent citizens; they are very hard workers; they are conscientious. I owe them this further tribute: they seem to have taken great care to see that the Minister of National War Services is always kept in a safe position in regard to approving expenditures. That is what I would expect of ordinary departmental officials, and I feel deep gratitude to these people. Yet I find them broad-minded and personally extremely generous, though very careful with the money of the taxpayers. I like Canadians like that.

Mr. BENCE: If I may interrupt with another question, I do not know anything about it but I want to find out the basis on which the representation was obtained. For example, on what basis would they go to Saskatchewan and select a man? On what basis would they go to British Columbia and select a man? Was it in reference to the type of work they had to do or the experience they possessed; was it in reference to any recommendations which might have been made, and, I think, should have been made, by the organizations interested?

Mr. LaFLECHE: I have already said that I am not aware of the basis of their choice; but speaking of them as persons who are members of the board and judging them from that point of view alone, I do give my hon. friend my assurance that there is not a poor selection in the entire membership.

Mr. BENCE: Were they appointed by the Hon. Mr. Justice Davis, or were they appointed by some other person in the department?

Mr. LaFLECHE: They were appointed when the present Minister of Agriculture was the Minister of National War Services. His successor, now the Hon. Mr. Justice Thorson, renewed their term, and I also have renewed their term; at least on my recommendation they have been appointed for another year. As far as I recall, this is the first time this question has been raised. Just what I mean by that I do not know myself, except that as far as my knowledge goes their appointment has never been questioned, and I do not believe their actions can be questioned.

If I may continue with my answer, there are about ten meetings a year of the full committee and/or the executive committee. Members of the board receive no salary; travelling expenses are paid, but a number of the members pay their own expenses. The cost of the meetings on a yearly basis is about $4,000. I hope that answers my hon. friend.

Mr. BENCE: I am not satisfied yet. I do not wish to cast any reflection upon these gentlemen; from what the minister says I assume that they are perfectly reputable citizens. I want to find out how well they are qualified to judge the sort of things they have to judge in connection with these matters, and I thought perhaps the minister might be able to give us some lead as to why different individuals were appointed to that board; their knowledge of education, for example, or their knowledge of returned men, or their knowledge of some particular phase of the matters which they must take under consideration.

Mr. LaFLECHE: I would point out that when these ladies and gentlemen were first appointed, the whole of Canada was being combed for persons who would consent to take on such difficult and onerous jobs. I do not know what the authorities had in mind at that time by way of necessary qualifications. There would hardly be reason for exacting, in any great number of cases, knowledge of education or educational methods, because at that time educational matters were but one subject of many that had to be dealt with. The putting up of canteens and hospitals and things like that, I imagine, were of much greater urgency than anything else. As time has gone on, however, educational matters have properly assumed greater importance, but these ladies and gentlemen who were named

at that time know the work and the details of these organizations. I have seen them at work a number of times; I make it my business to attend their meetings whenever possible. They are good enough to invite me to the table; they do the talking and I do the listening. I do not interfere with their decisions, which are laid before me later, but it has seemed to me that each member of the board appeared to understand the problem thoroughly. I should say that each member of the present board is an excellent member. If he did not have the particular qualifications at the beginning I think he has acquired them by practice, as so many attainments are acquired.

Mr. BENCE: As far as the minister knows, then, these men were not appointed as the result of recommendations made by the various organizations who share in the grant that is made?

Mr. LaFLECHE: I do not know, I am sorry. I have no knowledge of that.

Mr. GILLIS: I agree with the hon. member for Saskatoon City and with other hon. members who spoke earlier in the debate. In my view the time has passed when this remote control organization, known as the Burton committee, can serve any useful purpose. I could understand that when the Department of National War Services was first set up, because it was a new department entering a new field under the leadership of the Minister of Agriculture, it was entering upon duties concerning which he had very little knowledge. He had to reorganize the whole thing, from the bottom to the top, and I could understand his desire to set up a committee similar to the Burton committee to assist in scrutinizing the expenditures.

I think, however, the time has come when the present minister is in charge of a pretty thoroughly organized department. The defence organizations, which recommend in the first instance, and the auxiliary services, have well-defined organizations. I cannot see how a committee comprised of people from one end of Canada to the other, and particularly of very busy people, can be of much use. We were told this afternoon that unfortunately Mr. Burton is ill, and that leaves him out of the picture at the present time. However, when he is enjoying his good health he is very busy in other fields. I am sure, too, that Mr. Wallace R. Campbell is a very busy man in Windsor at the present time, because he heads a large organization. I cannot see how that board, which would have the final say in respect of any recommendation coming from the army, the navy, the air force or the auxiliary services, in connection with any extension or expansion of service, could do anything but block, or act as something which would retard progress. It has to be called together from all parts of Canada.

For example, the Canadian Legion war services may decide that they need literature, textbooks or printing. But before they can go ahead with their educational work they must secure requisitions from the committee. A month or two may elapse between the meetings of that committee. Meantime the Legion services, or other auxiliary services, are waiting for an approval from the board.

It is my view that the time has arrived when the board is no longer necessary. With the four years' experience they have had, I believe the defence and auxiliary services are in a position to-day to conduct the affairs of their departments through the Minister of National War Services. That organization is sufficiently well developed now, under a permanent minister, to be able to say just how the money which is being appropriated by parliament is to be spent. I believe it is desirable to get away from these controls. I have noticed the Minister of Munitions and Supply is dropping some of them. I believe the committee in question is the only one of its kind; there is no other which functions in any other department of government.

I see the treasury board as a stumbling block to the wheels of progress. Many departments of government are desirous of doing certain things, but they must obtain the approval of the treasury board before they can proceed. The committee in question is a similar one. In the first instance I can well understand that it took some of the work from the then minister, and at that time it was desirable to do so. But with the machinery now developed I do not believe the committee is necessary, and I believe, further, that it now retards progress.

I have sufficient confidence in the auxiliary services, the defence organizations and the Department of National War Services to believe that they can handle the business now, without the advice of busy men like Mr. Burton, Mr. Wallace Campbell and others, whose names I shall not mention. I am thinking about the work begun by the Canadian Legion educational services, both in Canada and overseas. Many boys in the armed forces have begun work on those educational courses, but before completion of the courses they may be discharged from the services. Is there any provision whereby, in cooperation with the legion in Canada, when a man of that kind returns from overseas with a partly completed course he may pick up

the work in Canada? Or, does that man go back to the supervision of the Department of Pensions and National Health, and receive further instruction through a process of rehabilitation? If he is routed in that way I believe he will be forced to lose valuable time he has already spent in study, and it is my view that his studies should be continued in Canada, through the same organization. I believe that if these studies are continued through the regular processes of rehabilitation, in other schools, much of the work done will have been wasted.

I suggest strongly to the minister that in the light of present circumstances the decision to maintain this remote-control board is one which should be reconsidered, because I believe it has outlived its usefulness and serves no purpose to-day.

Mr. LaFLECHE: At the beginning of his observations the hon. member said that some members of the board were extremely busy men. Undoubtedly that is so, and perhaps it is just another instance of the willing horse doing a large part of the work. But I have great faith in busy men of a certain calibre who accept national duties. Here we find these gentlemen working, not for themselves, but so that they may place all their talents and abilities at the disposal of the state.

May I assure the hon. member that the board has not authority. Authority and responsibility are those of the minister. The board only recommends. The minister acts, and he is responsible for what he does. That is the way it works.

The suggestion has been made that the board should be disbanded. May I assure the hon. member that, had I not the benefit of the services of the board in question I would feel very much cut adrift. My anxiety, rather, is that some day they will tell me that the war is ending or is over, that they have other things to do and, having done their job, that they will ask to be excused. That would be my fear. I do not like to see the hon. member for Cape Breton South worrying about anything that might have an adverse effect upon members of the armed forces, as a result of the operations of this board. It is my feeling and my conviction that the members of the armed forces benefit greatly from this board, because of the kind of people who are on it.

As to members of the armed forces beginning courses overseas, and then returning to Canada, may I point out that any member in that position may pick up in Canada the threads of the course he began in Great Britain.

Mr. CHURCH: Mr. Chairman, I should like to add just one more word to what I said this afternoon. We are dealing with the estimates having to do with the charities division, all of which comes under the charities act of September 9, 1939. The principle is that these auxiliary services will be financed from a general fund. The minister has said that this is a changing war, and it does change from year to year, from month to month and from week to week. The fifth year of the war is different from the fourth year; there are more soldiers overseas and more services are required. I understand that the practice now is for some of the charities which have been named, such as the Canadian Legion, to obtain the sanction of the minister to collect funds which are in addition to those obtained from the general fund. Then there is still another duplication. Many of these organizations go to the municipalities and obtain permission to hold tag days, and other organizations receive contributions from some of the various community efforts. There is no doubt that there is duplication in the collection of funds, but this may be explained by the fact that this is a changing war.

I come now to the distribution of the services. There has been a change in the war since the minister dealt with this matter on July 13 last. I understand that now five or six different charities have been allocated particular work and there is no longer any duplication in this regard. The amount involved has been raised from $7,000,000 to $12,000,000, and there will have to be a further increase when we enter the sixth year of the war. We do not know when the war will close. I think the work of the department has been quite satisfactory, although I would raise the point that the public are not sufficiently informed about this matter. They know there is duplication in the collection of funds, but they do not know much about the distribution.

Mr. MacNICOL: Mr. Chairman, I should like to ask the minister if his department has been able to make any calculation of the total amount collected in one way and another, not just for charitable work but for providing goods and services to make the life of the soldier overseas a little easier. For instance, in the Chateau Laurier, and I suppose in other hotels as well, we find boxes in which people staying in the hotel can contribute to provide cigarettes for soldiers overseas or for some other purpose. The Canadian corps have a definite programme for the raising of funds and they provide many necessary supplies to our soldiers overseas. The same is true of the Canadian Legion and the Amps Association, et cetera.

The Bloor street business men's association of Toronto, with which I am associated, each month sends many thousands of cigarettes overseas. In the stores up and down Bloor street they have some sort of affair like a small lighthouse made out of cardboard into which customers place deposits. The St. Clair avenue business men's association do the same thing, as do many other associations throughout Canada. I shall not take the time to name them all but they are many in number. The women's branch of my own political organization, the Progressive Conservative Davenport-Dovercourt women's association, each year at Christmas sends an average of two hundred boxes overseas filled with goods to a value of not less than $5 each. This organization has received many interesting letters from soldiers overseas who have received these boxes.

The Montreal *Star* has been sponsoring a Queen Elizabeth fund which now amounts to some millions of dollars. The Toronto *Evening Telegram* has sponsored perhaps the greatest fund of all. This fund was started by Alderman John Innes, who came to Ottawa last evening with a Toronto city council delegation and met a number of the Toronto members this morning and during the afternoon. This fund was started two or three years ago by the alderman making the first contribution of $10. I went out a moment ago to try to get the exact amount, but I was not able to locate it.

Mr. GRAYDON: $2,395,000.

Mr. MacNICOL: My leader got it more quickly than I could. The editor of the Toronto *Telegram,* Mr. C. O. Knowles, told me that his paper has been assisted by many newspapers in Ontario, the Orillia *Packet and Times,* for example. These newspapers in the smaller communities sponsor funds and the proceeds are sent to the Toronto *Evening Telegram* fund. I have wondered on more than one occasion whether the department sends a letter of appreciation to these newspapers in recognition of the work they are doing? Then I imagine that every church in Canada is sending regular supplies to the members who are overseas.

Mr. LaFLECHE: I am glad to add my voice to that of the hon. member for Davenport in tribute to the generosity of the Canadian people. The more experience I gain, the more I deal with the Canadian public, the more I like and admire them. They are extremely generous and always respond to an honest appeal. Up to the end of the fiscal year of 1943, a little over a year ago, the total collections by the several organizations, a number of which were mentioned by the hon. member for Davenport, amounted to $86,000,000. Returns are now coming in for the last year and are being tabulated up to March 31, 1944. We estimate at the moment that about $26,000,000 will have been collected from a generous Canadian public for the purposes which my hon. friend has in mind.

The public organizations mentioned by the hon. member for Davenport are very well known to me and my department, and I am a hearty admirer of those who do such good work. May it be suggested that perhaps we have not yet reached the stage in this war where much public recognition can be given to many. However, records are being kept, and I do hope that when the time comes, the Canadian public will be made aware of the excellent work done by so many. I could, of course, add a number of excellent organizations to the two or three mentioned by the hon. member for Davenport. I could add the Toronto *Star,* the French newspapers in my own province, and the Montreal *Star,* which has done excellent work. I think every public service in Canada and every man connected with the Canadian public are sensitive to the necessity of doing well by their brother Canadians.

Mr. MacNICOL: I thank the minister for mentioning the Toronto *Star.* If I did not mention it, I should have done so.

Mr. BURTON: There are a few questions I should like to ask, and hon. members will pardon me if they are already familiar with these matters. As I understand it, we vote the money for these recognized war charities. Who has the control to say which of these charities shall operate in the various camps maintained by the armed services? Is it this advisory board of which we have heard so much to-day?

Then, as to the money we vote for these various organizations, who passes on the question of whether the money is properly spent? I had an opportunity of speaking to a number of persons who were at a certain camp which a certain organization was servicing, and I was told that the individual in charge of this particular service at the camp did not seem to realize the importance and the necessity of carrying on the work he was really sent there to do, whereas at another camp a similar organization was doing excellent work. No doubt the difference was due to the difference in the representatives of the organization at the two different camps. Who has control of the money that we vote? Who sees that good use is made of the money? Who inquires

whether at another camp a certain organization might not be coming across with the goods, so to speak? That is something that some of us would like to know.

Again, where a camp no longer requires the number of war charities that were servicing it, who decides which organization shall pull out and which shall stay? These questions are of concern to the public. We realize that the expenditure is small in comparison with some other expenditures. Nevertheless, we would like to know how this work is carried on. Have I made myself clear to the minister?

Mr. LaFLECHE: I shall try to answer my hon. friend. The hon. member for Humboldt perhaps did not hear me this afternoon when I told the committee that each one of these projects is initiated by the department concerned, army, navy or air force. National defence makes the choice and advises me which auxiliary service shall carry on the work. If it is a canteen, that would be run by one service. If it is a hostel, that would be run by an auxiliary service chosen by national defence, not by this department.

As to the successful operation of a project, of course much depends upon the manager or supervisor. At the beginning of the war perhaps they did not have a great many experienced supervisors, but time has seen to that and the reports I get are that the supervisors are doing a better job each year. At any rate they are followed up carefully, as in all other businesses, and there are auditors and inspectors. I hope and really believe that each one of these services is doing an excellent job.

Mr. BENCE: This item is for departmental administration. I do not know under which item I should ask a question with respect to the government office of economy control which was in effect at least last year. I do not know whether it is now in effect or not. Under which item would that question come?

Mr. LaFLECHE: Under the last item, for sundries.

Mr. HAZEN: This afternoon the hon. member for Vancouver South brought to the attention of the minister the desirability of educational services being made use of by the patients in our military hospitals. I understood the minister to say that he would make inquiries and let us know to what extent these services were being made available in some of our larger hospitals. I rise to inform the minister that I was told recently that these services have not been available in the Lancaster military hospital at the city of Saint John. I was disappointed to receive this information, and I hope that situation will be corrected.

I understood the minister to say this afternoon that the application for these educational services in our hospitals had to be made through the officer commanding the hospital. If that is so, I would suggest that some change be made in the regulations, because the officer commanding, in charge of a military hospital, has a good many duties. I would suggest to the minister that officers from his department or from some other department be appointed to visit these hospitals and to point out to the military patients the opportunity they have, while there in hospital, of obtaining this education service and of the advantage it would be to them to apply themselves to some of these subjects while they are confined to the hospital.

Mr. LaFLECHE: I am grateful to the hon. member for bringing this matter up again. Men in hospital could undoubtedly benefit greatly from the educational service. I told the hon. member for Vancouver South this afternoon that I did not believe I would be able to get the information for this evening. I promised to let the committee have it; I recall that because I saw a copy of *Hansard* just after dinner, and I know that is there on record. We shall have to get the information; we will bring it down, and we shall also have the remarks made by my hon. friend and will see that they receive attention.

Mr. WHITE: This afternoon the minister was speaking about courses for soldiers and he said that a certain class of certificate was issued. I wish he would explain a little more fully what he means by this "class of certificate." Is it a certificate which is recognized by high schools or by the various universities in the different provinces?

Mr. LaFLECHE: I said this afternoon that there would be given a certificate of attainment to those members of the forces who followed an educational course such as we have been discussing. I have not a copy of the certificate. I know that will be done; my hon. friend may rely on that.

Mr. WHITE: Yes, but the point is, what is the benefit of this certificate of attainment? Does it entitle the soldier to a standing in a college or a high school or a university? Does it mean anything?

Mr. LaFLECHE: The certificate of attainment will have the same force in the scholastic world as a certificate from a school. If a pupil is able to show a certificate that he has attained the level of senior matriculation, that will be given credence and effect in the school which he wishes to enter. That is the plan.

You cannot let these men study and then not have credit for the work which they have accomplished. When they attain a particular level of scholastic attainment it will so be certified and they will be given credit.

Mr. WHITE: Could the minister give us some idea of the number of soldiers who have attained a certificate equal to either junior or senior matriculation?

Mr. LaFLECHE: I am sorry I have not that. This afternoon I read what I took at the time to be too many statistics. I shall get them if my hon. friend wishes it.

Mr. WHITE: Does the minister know approximately how many soldiers are taking these courses?

Mr. LaFLECHE: My hon. friend will find that in *Hansard*. Would my hon. friend say what information he wants to get, and I will see that he gets it.

Mr. WHITE: The approximate number of soldiers who are taking these various courses.

Mr. LaFLECHE: Again, for fear of making an error I do not wish to make any statement, because I am not absolutely certain. I gave the figures this afternoon.

Mr. WHITE: That is all right. Just one further question so that there will be no misunderstanding. I take it from what the minister says that these certificates of attainment will be recognized by any school or college in any province of Canada, and that if a soldier obtains a certificate of attainment in England equivalent to senior matriculation, that certificate would entitle him then to enter Toronto university or any other university in Canada?

Mr. LaFLECHE: Yes; I have that information in my book, and it comes from the authorities. That is exactly what I take it to be, and it is in that light that I gave this information to the committee.

Mr. WHITE: I want to be sure it is not just an opinion that the minister is giving, but that he knows definitely that this certificate will be recognized and accepted.

Mr. LaFLECHE: I have been advised that such will be the case, and I have not the slightest reason to disbelieve what I have been told. Whether the course takes place overseas or here, it has the same value.

Item agreed to.

Salvage division, $310,750.

Mr. BENCE: Will the minister give us some details of this particular expenditure? There are probably three main portions of it, namely, salaries, travelling expenses and publicity. Would he give us particulars of the publicity angle of it?

Mr. LaFLECHE: My hon. friend will have noted that there is a decrease of $86,215 as compared with last year. The break-down of the total for the present fiscal year which I am now submitting to the committee is $310,750, composed of: salaries, $90,000; cost of living bonus, $3,500; unemployment insurance, $250; travelling expenses, $53,000; printing and stationery, $4,000; publicity, $150,000; miscellaneous, $10,000.

Mr. BENCE: Has the minister the figures indicating the manner in which that $150,000 for publicity is spent?

Mr. LaFLECHE: The item of $150,000 for publicity makes provision, of course, for the maximum we anticipate having to spend for that purpose. Our experience in dealing with salvage has been that it is impossible to estimate in advance exactly what may happen in that field during the coming year. To illustrate, may I say that, for the fiscal year ended March 31, 1944, we had earmarked $250,000 for publicity but we spent only about $37,000; we found it possible to carry out the work without spending the money. We were very fortunate in the last year in getting a vast amount of contributed advertising. There are several firms in Canada who patriotically gave salvage the advantage of their sponsorship in the papers, in the public press, and on the radio. The time will come when I shall be in a position to express thanks to those several firms for the outstanding contributions which they have made. It was not necessary for me as minister to take steps to spend more than a relatively small amount out of the quarter of a million dollars voted for publicity last year. That item is $100,000 less this year than it was last year. We are very careful in spending money on publicity and other things. I hope, and I believe, that $150,000 will be enough. I hope that it will be too much and that we shall not have to spend it all.

Mr. BENCE: That is surprising to me because the figures that are given on page 397 of *Hansard* for last year are $396,965. Does the minister say that that money was not spent?

Mr. LaFLECHE: I was speaking of the item for publicity.

Mr. BENCE: Yes, I know.

Mr. LaFLECHE: Last year that item was $250,000. The figure now before the committee is $150,000. I explained that last year

we spent $38,000 out of $250,000. I explained why it was possible to save a very great deal of money.

Mr. BENCE: How much was spent by the department altogether last year on salvage?

Mr. LaFLECHE: The books have not yet been closed, but the last recorded expenditures that I have are $171,975.

Mr. BENCE: That is the total?

Mr. LaFLECHE: Yes; it will be more than that, but that is a very large part of the expenditure.

Mr. BENCE: What it means is that last year the publicity was down considerably from what it was the year before?

Mr. LaFLECHE: Yes.

Mr. BENCE: Because the year before it was $146,000.

Mr. LaFLECHE: That is correct.

Mr. BENCE: That has been reduced to $38,000?

Mr. LaFLECHE: It was possible to achieve the results without spending the people's money.

Mr. BENCE: The point I am making is this: What is the difference between the $146,000 spent the year before and the $38,000 spent last year? Why should there be such a large spread? How was it the government could save so much money in the two years?

Mr. LaFLECHE: I began by explaining that it has been borne upon me through observations that it is not possible to judge clearly and correctly in advance the game of salvage. In the last fiscal year the department was very fortunate. It was able to fill every demand made upon it, I am extremely happy to say, and we did so at very little expense. For instance, one decides to advertise in an acute emergency. After having tried all other attempts, one then is driven to go to paid advertising. Last year that was not necessary. At the present moment we are faced with an acute shortage of waste paper. We have had inestimable benefit from certain generous sponsors. Since some paper mills may be forced to close down I am now considering with the officials of my department and with the other departments of government in close touch with the paper industry the getting out of a campaign of advertising to cost somewhere around $60,000. Despite all the assistance we have had we are not satisfied that we have safeguarded the position sufficiently. In order to make sure we are going to do some advertising. That will come, of course, out of the $100,000.

Mr. BENCE: Could the minister give us an indication of the amount of revenue that was obtained last year as a result of the salvage campaign?

Mr. LaFLECHE: I must explain that the department cannot claim that all the results of its salvage campaigns are reported to the department, because while the urge to save secondary materials or salvage materials may be very great, yet the persons who save and turn in waste materials may do so through channels which do not report. The department does not say that they must turn in their salvage to certain people or certain firms. What the department does is to promote and bring the Canadian public to the point of finding the materials which we absolutely need if we are to carry on our full war effort. Nevertheless we have in dollars a figure well over $3,000,000 in value.

Mr. BENCE: For what period?

Mr. LaFLECHE: Since May 1, 1941. That figure comes up only to last year. We know the value of salvage materials is much greater than that, but those reports were not made to the department. When the country needs certain salvage material what we try to do is to see that the scrap iron is made available to the mills. We want the waste paper turned in to the mills. We think about one-half of the actual salvage resulting from our campaigns come to us in the form of reports.

Mr. BENCE: Was there a complete change made in the administrative set-up of the salvage campaign last year?

Mr. LaFLECHE: No. I am afraid I am taking the hon. member's question on too wide a basis. There has been no revolutionary change. There have been betterments; there have been extensions of organization where necessary adjustments were possible. Things have gone on very much the same. It is true the machine has run better because the employees and officials know their job better than they did before. Perhaps my hon. friend would ask a more precise question.

Mr. BENCE: The reason I ask that question is this: in the city of Saskatoon from which I come we had an able and active association in charge of salvage. Last year at some time or another the officials came along and changed it, took it away from them and changed what I think was the whole set-up as far as salvage in Saskatoon was

concerned. I should like to know why that was done in view of the fact that this organization had charge of it from the beginning. It was the only organization that was prepared to take it over from the beginning. I should like to know whether the same attitude was taken in other communities where organizations had taken on salvage campaigns and had made a success of it. Did the administration or administrative officials come along and change the whole set-up?

Mr. LaFLECHE: I understand that the case mentioned by my hon. friend was that of a voluntary committee and that there were changes; but the changes came from within the membership of the voluntary committee. My hon. friend shakes his head.

Mr. BENCE: I know they did not.

Mr. LaFLECHE: I can only repeat the instructions I am given. I would remind the hon. gentleman that we have something like 1,800 of these committees scattered throughout Canada, and it would take a formidable memory indeed to recall everything that has happened. Perhaps my hon. friend would help me by giving some further information which might be of assistance.

Mr. BENCE: All I can say is that this association was carrying on efficiently and adequately and that for some reason or another—that is what I wanted to find out—the officials of the department came along and said they were going to take the work away from them. Actually the fact is that when this thing was established in the first place this was the only association prepared to go in and do the work. They did an adequate job, and I thought they were treated very unfairly.

Mr. LaFLECHE: I am sure my hon. friend will not mind if I say I hope he is mistaken. I do not get the story that way at all; I understand that the original chairman—moved from the city and that he was replaced. That is what I am told. However, if my hon. friend would be good enough to give me further information I shall look into the matter in the interests of all concerned.

Mr. BENCE: I shall be glad to do so.

Mr. MacINNIS: The minister is discussing the matter of salvage, and as I came in I thought I heard him say there was a great need for the collection of waste paper. Quite recently it was drawn to my attention that there has been a tremendous waste of paper at the Barriefield barracks near Kingston, and I would suggest that the minister look into the matter. The person who brought the situation to my attention was disturbed, in view of the fact that the government was spending a certain amount of money in advertising the need for saving waste paper. I would hesitate to say now the quantity that I was told was being destroyed every day at this point, but it was very considerable. I suggest that the minister look into this matter, and also into the waste that may be going on at other military camps.

Mr. LaFLECHE: I am very glad the hon. gentleman has brought this to my attention. The salvage division of my department deals with these matters through the army disposal board, and we have a committee which looks after these things. I shall look into the situation mentioned by the hon. member.

Mr. REID: I wonder if paper salvage is still going on. Is the salvage division still collecting waste paper?

Mr. LaFLECHE: Yes.

Mr. REID: I do not wish to criticize the minister at all, but I should like to show him something I brought back with me from New Westminster, which has caused me a great deal of concern. The people out there are asking why we should be trying to conserve paper on the one hand, while on the other hand people who cannot get enough paper for their requirements are asked to display large posters such as the one I am holding up. The person who gave me this said, "The government will have to supply me with a new wall on which to hang it." Here is a paper poster which would cost probably fifty cents; these are sent out from Ottawa by the ton, no doubt. I should like the minister to look into this matter, though I realize that it does not come under his department. It seems to me, however, that his efforts in regard to salvage are being sabotaged, at least as far as paper is concerned.

My particular reason for rising at this time is that I have found that many departments here in Ottawa pay no attention at all to the criticism made by a member of parliament outside the House of Commons. I feel so keenly about this matter that I made up my mind that when the proper time came I would bring it to the attention of the appropriate minister in the hope that the officials responsible for the production and distribution of posters of this kind might be told that there is a scarcity of paper, and that they should consider the cost of preparing and sending out things of this kind. I feel sure this poster would weigh almost a pound. The man who gave it to me has had his own paper supply cut by some twenty-five per cent. He said, "I cannot obtain paper; I am put on a quota; yet I am asked to place a poster like this on my wall." He gave me at least half a dozen

of these posters, though they were not all the same size. The minister is not to blame, of course, but I want to show that his efforts in regard to paper salvage are being sabotaged by other government departments which are not giving him the cooperation I think he should have.

Mr. LaFLECHE: I have taken note of the advertisement in question, though of course it does not come under my department. This deals with a very difficult question, in regard to which the interest of Canadians must be aroused without fail. As regards the departments in Ottawa, I am very happy to say that they have gone in for a combined, well coordinated, well backed up waste-paper salvage campaign. I am in touch with a committee on which each department is represented, and as far as salvage is concerned I think the results will be better this spring than at any time in the past.

Mr. REID: I can send them these posters; I have plenty of them.

Mr. ROSS (St. Paul's): Has the minister been given full cooperation by the various manufacturing plants throughout the country? I ask this question because I had occasion to bring to the attention of the management of one organization the fact that several tons of paper in the form of cartons and things like that were being burned every day or so. That was not a very good example for the men in the plant. As soon as the situation was made known to the management the matter was attended to and the paper saved. I wonder if there is close cooperation between the salvage branch and the various manufacturing concerns in Canada so that much of the paper that has been destroyed in the past may be saved in future.

Mr. LaFLECHE: I have mentioned already the salvage operations being conducted by the various departments of government. Within the last months the usual collections of waste paper have been more than doubled, and any increase of one hundred per cent is a good increase. Through the Canadian Manufacturers' Association, boards of trade, chambers of commerce, trade papers and so on we hope within a short time to increase the usual tonnage of waste paper collected throughout Canada by about 150 per cent. I must say that we have the finest of cooperation from the associations I have just mentioned. For instance, a trade paper called the "Drug Merchandiser" has shown the greatest of generosity. They have appealed to the druggists of Canada to make certain to save the waste material—waste paper—and turn it into the regular trade channels, so that at an early date it will reach the paper mills of Canada. I must say I have taken the responsibility, toward another department, to see that the salvage division find an average of 20,000 tons of waste paper monthly.

Mr. FRASER (Peterborough West): I understand that different committees have had difficulty in trying to find out whether the department in Ottawa wished them to collect bottles. They started in to collect, and then they received a letter on January 15, 1943, stating that the sale was off. Then they got another on March 5, 1943 encouraging them to buy again. Bottle dealers, wine dealers and distillers were to agree among themselves as to the method of procedure, and maximum prices to prevail. But the salvage committees have had no direction at all in respect of some lines of salvage collection. One day they are told to do one thing, and the next day they are told to cancel that order. Would the minister tell us how things stand in respect of paper prices, and the position as to rags and bottles?

Mr. LaFLECHE: I think I must suggest to my hon. friend that he has not been fully informed, or that he has received information from a person who has not been fully informed. I hold before me a bulletin—

Mr. FRASER (Peterborough West): What date is it?

Mr. LaFLECHE: This is bulletin No. 81 respecting salvage, and it is dated March 20, 1944. I suggest that a branch of this kind cannot get out 81 circular letters, very closely printed, and containing a great deal of information, and at the same time accept the statement that local committees are not well informed.

Mr. FRASER (Peterborough West): Perhaps I should have put my question another way. I have followed this matter of salvage collection very closely. Prices were supposed to have been given some time ago in regard to bottles. I took the matter up with the head of the salvage department at that time—I forget his name, but I have it in my office. Three or four weeks after that some men came to see me, here in the House of Commons, and I had a talk with them in regard to bottles. At that time the people were told to collect them. Collections were made, and following that they found there was no sale for what they had collected. The result was that they had to break the bottles, and sell them as broken glass, at so much a ton. The women who collected were very careful to pack the bottles properly, and to sort them, and they were very much disappointed when they had to sell them as broken glass.

Mr. LaFLECHE: I sympathize with those ladies.

Mr. FRASER (Peterborough West): They have done a fine job.

Mr. LaFLECHE: I fully agree with that. But may I say that the salvage division of my department does not control supply and demand. That division moves when required, and moves quickly and well. When the director of salvage is informed by another department that bottles are needed, or that other materials are in demand, he moves. I understand that not for about a year has any request issued from the salvage division asking the public to save and to turn in bottles.

Quite apart from that, I recall hearing it said by manufacturers of glass containers that at one time not very long ago—perhaps two years ago—there was a great demand for bottles. They started a campaign to reclaim second-hand bottles. Then—and I do not know why—the story goes that there was a great supply of them, with the result that they ceased collecting second-hand bottles, and began to use the new bottles which were available.

Before dealing harshly in one's thoughts with the salvage division, I believe one must keep in mind that they act only when they are told that a supply is needed. Then, of course, they must pass on that information to local salvage committees. I must say to my hon. friend that I think the branch does a very good job. I have heard many commendations of the work it has done, and I think much credit is due it. I hope the hon. member will follow me in that respect.

Mr. BENCE: Who is the present director in charge of salvage?

Mr. LaFLECHE: Mr. Charles Laferle.

Mr. MacNICOL: I am happy to say that the minister has in Mr. Charles Laferle a capable man at the head of the branch. He was one of the chief officials, and one of the most successful officials of one of the largest businesses in Toronto. I, for one, was surprised that his firm allowed him to come here to help. However, I am glad they did, because the figures given by the minister show that he has obtained from salvage about $3,000,000 which would have been lost otherwise. That has been collected through an expenditure of a comparatively small sum of money supplied by the government. I believe that the salvage branch, under the minister's direction, deserves unstinted credit.

Mr. BENCE: Who was the immediate predecessor of Mr. Laferle?

Mr. LaFLECHE: Mr. William Knightley.

[Mr. G. K. Fraser.]

Mr. BENCE: Is Mr. Knightley in the employ of the department?

Mr. LaFLECHE: No, he is not. He returned to the Department of Transport some considerable time ago.

Mr. MacNICOL: I might add that Canada owes a debt of gratitude to that brave little island of Malta in the Mediterranean, where Mr. Laferle was born, for allowing him to migrate from that part to this part of the empire.

Mr. PERLEY: I should like to add a word of praise in respect of local voluntary committees which have been doing this work for the last two or three years. There is a feeling now that they are not receiving proper cooperation from the authorities in Ottawa. For instance, after doing all the work of gathering rubber, paper and bottles they have had difficulty in getting facilities for shipping. I would draw to the minister's attention the fact that in a great many centres along the main line of the Canadian Pacific railway—and I refer to that line in particular—there are to-day many piles of scrap metal. Local committees are having difficulty in shipping it. Have any steps been taken to clear up those piles? At practically every loading platform throughout western Canada you will find this scrap iron piled, either in the road or on the platform. When a farmer comes to ship grain he finds this stuff in the way. Has any effort been made to get these piles cleaned up and out of the country?

Mr. LaFLECHE: I am glad to join with the hon. member in working for the farmer. Perhaps he may not have thought of it, but there are easterners who have great regard for the farmer. We have excellent farmers in the east, although our soil has grown many more crops than the soil of the west.

Mr. PERLEY: It has not worn out as many implements.

Mr. LaFLECHE: My hearing is not sufficiently good to permit me to hear the remark of my hon. friend. I want to say that action has been taken to clear up the situation he mentions. We have been at the steel controller, shall I say, with regard to this particular matter, and I shall bring it to his attention again. I understand that the situation is greatly improved and that there is not a vast quantity left.

Mr. PERLEY: I wish the minister would take a trip through the west.

Mr. LaFLECHE: I wish I could go there now.

Mr. FRASER (Peterborough West): Is there any chance of the salvage department stabilizing the prices of the different salvaged goods in order that the people who collect these goods will not lose everything? Sometimes it costs a lot of money to do the collecting.

Mr. LaFLECHE: The matter mentioned by the hon. member has received attention and will receive further attention to the end that everything possible may be done to stabilize prices.

Mr. FRASER (Peterborough West): The hon. member for Qu'Appelle mentioned iron and steel. Is there a demand for those metals now?

Mr. LaFLECHE: What is left of the metal mentioned by the hon. member for Qu'Appelle is in reserve stock-piles which are available to the steel controller. As I said a moment ago, this matter has been brought to his attention again.

Mr. BLACK (Cumberland): I have a complaint to make with regard to the salvage and marketing of bottles in Nova Scotia. I think we are all in sympathy with the salvaging of as much material as is possible, but it is disconcerting to find that in certain instances efforts to salvage are blocked. The complaint I have to make is in connection with a man in Nova Scotia who for years purchased empty bottles to ship to the brewers of Ontario and Quebec. Administration order A-505 of December 14, 1942, was promulgated by the administration. It provides that bottles shall not be shipped out of Nova Scotia except with the permission in writing of the chief commissioner of the Nova Scotia liquor commission. The chief commissioner of the Nova Scotia liquor commission requires that all bottles shall pass through certain channels.

This individual who has been in this business for a number of years is blocked in his efforts to salvage bottles. Lately he has had inquiries from breweries in upper Canada who wish to purchase bottles and are ready to enter into contracts over a period of years. But he cannot sell bottles collected in Nova Scotia to the better market in central Canada because of order A-505. I should like an explanation from the minister as to why there should be interference with the ordinary course of trade. Salvage undertakings should be facilitated, and yet this man is not able to market what he collects.

Mr. LaFLECHE: The order mentioned by the hon. member is a wartime prices and trade board order. I shall take this matter up with the board. They are in a much closer position to the actual market than is the salvage division of my department. The salvage division of the Department of National War Services starts or stops the flow of materials upon hearing from the wartime prices and trade board that a certain material is in short supply. The wartime prices and trade board has the power to order; the salvage division has no such power. Our work is carried on almost entirely by voluntary workers. I shall undertake to look into the problem to-morrow and speak to my hon. friend as soon as I get any information.

Mr. POULIOT: I do my best to encourage salvage operations. A few weeks ago the chief clerk of the committees wrote to me asking what should be done with a number of files that filled one filing cabinet in his office. I wanted to know what they were, and he told me that these files were collected by me when I was chairman of the civil service committee in 1938. I told him that at the time they had been quite useful because we had brought in a unanimous report, but that since nothing was done to implement that report he could give the files to the salvage. It should help a little bit.

There are many things that can be said about salvage. At one time we had some legitimate salvage in connection with shaving-cream and toothpaste tubes. We were told that the metal used in these containers was very helpful to the war effort and we had to turn in an old tube before we could get a new one. However, this restriction was removed and the people can now get new tubes without turning in any old ones. They can throw the old ones in their waste-paper baskets. This is not the right kind of salvage. The first system was the proper one; now we just have waste. There are a number of things I could enumerate in connection with which there is waste. I cannot understand why such things are done. I can understand it the less because those who decide matters of salvage sit in the most magnificent building we have in this country, the new supreme court building, which was put up to house the supreme court and the chief justice of the land. I have said it before and I repeat it again that in no other country of the world would you see the chief justice of the country and the other judges of the supreme court sitting in a barn like they do in Canada, while dollar a year men who look after salvage are housed in our most magnificent office building, costing several million dollars, with lofty ceilings and brass doors just as heavy as the gates of Gaza that Samson carried on his back. The doors of the supreme court building are so heavy

that even Samson could not carry them away. I am so sorry that hon. members laugh. We should weep about it because there is no sense in it at all, and I say to my hon. friend the member for Winnipeg South Centre that I am fighting his cause now because I am sure that he would not want to sit as a judge of the supreme court in an old barn. In no other country of the world would such quarters be tolerated for our supreme court as the present building where they are housed. Think of the millions of dollars spent on that other magnificent building which was put up for the express purpose of housing the supreme court, and that is now used by the salvage men, looking after ash-cans! It is an incredible situation. Mark Twain would have written something marvellous about it. It is a thing that hardly anybody outside Ottawa would believe, but we in Ottawa know it is a fact. Imagine a lawyer from outside coming to Ottawa and saying to a taxi driver, "I want to go to the supreme court." He is driven to that awful building that now houses the supreme court, and then he sees another building, a magnificent one, and asks the taxi driver what that is for, and the taxi driver tells him "Oh, that is the salvage building."

It is a waste of money, having such a magnificent building with brass doors and lofty ceilings to be used for ash-cans, and I hope hon. members will join with me in protest against such a ridiculous state of affairs. Who is responsible for it? Here we are to-night listening to talk about salvage. Now is the time that we should honour the bench as it deserves to be honoured and see that our supreme court is housed in the temple of justice, in a building befitting the dignity of the court. That is why we spent money for such a magnificent building. If at the time we were asked to vote such a tremendous amount of money for the supreme court, would anyone have agreed to vote the money if they had been told that the building was to be used for garbage, while the judges are in the ash-can and the doghouse.

The other day the Minister of Justice said that conditions were not as bad as I have described them. Well, an official paper has been published. It is the report of the inspector of the health department, and he goes much farther than I do. He described things as they were. I can say that what I have done I have done at the request of a judge of the supreme court who is now dead, and of another judge now living, whose name I shall not mention, but who can corroborate what I have said.

I have had occasion several times to use the most valuable books that are to be found in the supreme court library. There are

treasures in that library that cannot be found anywhere else. If they were destroyed by fire it would be a national loss, just as if the archives were destroyed by fire. But the archives are housed in a fireproof building, while these most valuable books in the supreme court library are in that old building on Wellington street, exposed to all hazards of fire, when there is a fireproof library in the new supreme court building which now serves for salvage. Is there any sense in that? I hope that the government will reconsider the matter and that before the end of this session the salvage branch will be moved into the building that is at present occupied by the supreme court and the exchequer court, and that the supreme court and the exchequer court will take possession of their own quarters in that new building the cornerstone of which was laid by Her Majesty the Queen. What has been done up until now is ridiculous, but there is always time to do better, and I hope that the necessary change will be made.

The other day I was amazed when I read in a report of a committee of this house that parliament had fallen in public respect. It is because of things like this of which I have been speaking to-night that public respect for parliament, respect for the bench and for our democratic institutions, has fallen. If the Canadian taxpayer carries the burden of heavy taxation for the construction of that magnificent building which was erected to house the supreme court, he does so because that building was erected to honour the bench. He does so to show the respect that every Canadian citizen has for the bench. But if the present situation is not changed it will contribute in no small way to destroy those feelings in the hearts of our fellow citizens.

Item agreed to.

Corps of (civilian) Canadian Fire-Fighters for United Kingdom, $744,905.

Mr. BENCE: I want to say a word on this item, particularly in view of the fact that the city from which I come has made a good contribution to this corps. First I would remind the minister of the statement that he made last year when speaking in this house on July 22, he is reported at page 5244 of *Hansard* as follows:

> But may I say that Canada will never forget the fact that these men volunteered for a service considered then to be as dangerous as that performed by any human being in the British isles, whether in uniform or not.

Prefacing my remarks by that quotation, I would suggest to the minister and to the administration that there are two or three matters in connection with the rehabilitation

of these men which should receive the serious consideration of the government. In the first place, the impression got abroad last year that the fire-fighters were going to be in exactly the same position as the returned men of the armed services. I will grant that that was not quite borne out by any suggestion made by the minister in his statement, except when he stated that "if members of this corps are injured or killed, they or their dependents receive the identical benefits as paid to the members of the armed forces in similar circumstances". That statement led a lot of these men to reach the conclusion that they were being put in exactly the same position with respect to all benefits that the armed services had, and I must confess that from a cursory examination of the statement I came to the same conclusion. But as far as rehabilitation is concerned there are three respects in which the fire fighter is treated differently from the man who has been retired from the armed services. In many ways these men have made as big a contribution as have many men in the armed services, and certainly have entered into a more hazardous occupation than some members of the armed services who are entitled to these benefits to which I wish to refer.

In the first place, I suggest to the minister, the fire-fighter who has been retired from the force should be entitled to the same benefit with respect to thirty days with pay, which he gets now; but in addition to that he should get, what the men of the armed services, get a rehabilitation grant of one month's pay. I suggest also that some recognition should be given to him of the fact that he has performed this service in a theatre of war, much along the lines of the type of recognition given to the returned man when he is awarded his service badge. In addition to that, it seems to me that if the man or his dependents are entitled to the identical benefits that are paid to the dependents of men of the armed forces, certainly he should be put in the same position when he is retired from the force as is a man in the armed services with respect to free hospital, doctor and dentist bills for a period of one year. In view of the fact that the service is so similar in many ways to the type of service which has been performed by men who are now returned, I suggest that the minister should put the fire-fighter in the same position, in view of the contribution he has made and the risk he has taken. I hope the minister will make a comment on that, and at the same time will explain to the committee the method which is used in providing the returned fire-fighter with rehabilitation benefits, such as they are, and the provisions under which his dependents are paid pensions in the event of his death in the service. I do not know whether they come under the provisions of the Pension Act, but I am sure the minister will be in a position to enlighten us.

Mr. LaFLECHE: I am very happy to hear the sympathetic manner in which the hon. member for Saskatoon City has approached this subject. I myself wish to do everything I possibly can for the members of the civilian Canadian fire-fighters corps, but in one word in their title I have found very considerable difficulty; they are officially known as the "Civilian" Corps of Canadian Fire Fighters for Service in Great Britain.

With regard to the three points raised by my hon. friend, we do give to members of the corps who are retired or discharged the thirty days' leave. I think my hon. friend knows that. It is possible, and I believe it is the case, that the regulations covering the discharge of men from the armed forces may have changed in that respect recently. I am not quite certain, but officials of the department are looking into that.

I think I can save a great deal of time and speak as forcibly as one can and cover the entire ground when I say that my department is trying at this moment to make certain that members of the fire-fighters corps receive benefits identical with those granted to men who are discharged from the armed forces. For instance, and to illustrate the difficult and peculiar position in which fire-fighters find themselves: the hon. member for Saskatoon City mentioned recognition; I take it that he meant a service ribbon.

Mr. BENCE: Well, some kind of acknowledgment.

Mr. LaFLECHE: Quite right. I have wanted and I have tried to get them a service medal. But they are not a military corps. Decorations and medals, one knows well, come from the crown, from the sovereign, and conditions in regard to the award of medals and decorations are surrounded, we all know, with many safeguards and with a keen eye, I suppose, both to tradition and to the future. I believe we are on the verge of getting some recognition of this kind for these men, in the form of the right to wear service chevrons on their tunic sleeve. That seems to be promising, though I hope the boys will not feel too badly if it does not come through, but we have had some encouragement in that respect.

I have tried to answer the questions put by my hon. friend.

Mr. BENCE: Would the minister not consider the granting of some type of badge or button which might be exclusive to the fire-fighter, but which he would be able to wear,

and which would indicate to other people that he has seen service really in a theatre of war during this war?

Mr. LaFLECHE: Yes; many thanks for the suggestion. It is difficult, though, for any minister to give an answer to a question just like that. There will always be some connection between whatever may be suggested and what is in practice in other respects, but I am very much sold upon the merit of giving these men some tangible form of recognition; I think it is coming to them. We all remember that when they first went to Great Britain it appeared that their duties would oftentimes be more dangerous than those of the armed forces.

Mr. BENCE: Very hazardous.

Mr. LaFLECHE: Since, of course, our land army or part of it has moved off to active war fronts, perhaps that comparison is not as favourable to the fire-fighters as it used to be. Nevertheless, there is very little to choose when under bombs, whether they come from cannon or from aircraft.

Mr. BENCE: Does the minister express an opinion in connection with the matter of free hospitalization, dental and medical care for a year after discharge, in the same manner as is provided for members of the armed forces?

Mr. LaFLECHE: I am still trying to get every one of these things. Last year, when I said "identical benefits under the Pension Act", I meant, of course, the stated amounts that one finds or used to find in the schedule of the Pension Act. That applies as it did then.

Progress reported.

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

Tuesday, April 25, 1944

The house met at three o'clock.

INCOME TAX

POSTPONEMENT UNTIL AUGUST 31 OF BALANCE OWING ON QUARTERLY INSTALMENT BASIS

On the order of motions:

Hon. C. W. G. GIBSON (Minister of National Revenue): I should like to clarify the previous statement I made on March 27 concerning the extension of time for the payment of income tax by individuals. Strictly interpreted the statement would exclude those taxpayers who pay their taxes on the quarterly instalment plan. I should like to make it clear that taxpayers who have estimated their tax on a quarterly instalment basis, as required by the Income War Tax Act, will be granted until August 31 to pay, without interest, any additional tax that may be owing over and above what was estimated.

HOUSE OF COMMONS

CONSIDERATION IN COMMITTEE OF REPORT OF SPECIAL COMMITTEE ON REVISION OF STANDING ORDERS

The house resumed from Tuesday, March 7, consideration in committee of the report of the special committee on the revision of standing orders, Mr. Bradette in the chair.

The CHAIRMAN: The first amendment proposed is to standing order 9, which at present reads as follows:

Upon a division, the yeas and nays shall not be entered upon the minutes, unless demanded by five members.

The amendment proposed is as follows:

And every member present in the chamber when the question is finally put by Mr. Speaker shall be obliged to vote, and if he does not vote Mr. Speaker shall call upon him to vote and his name shall be recorded accordingly. If he persists in not voting he may be named by Mr. Speaker for having violated a standing order of the house.

Mr. GRAYDON: On a point of order, Mr. Chairman, I do not know whether the procedure you are now adopting is that which was agreed upon unanimously at a previous sitting, when this report was discussed. But it would appear that this procedure would bar any general discussion with respect to this matter, and I rather fancy one or two hon. members in any event would wish to make some general observations before going into the more limited discussion on the amendments to the various standing orders.

Mr. POULIOT: Speaking to the point of order, Mr. Chairman, when an official paper is submitted to the committee of the whole house that paper must be considered in full. The Prime Minister expressed some doubt as to the wisdom of the preamble to the report of the committee. That report has been reprinted; the preamble begins on the first page and continues for three pages. In the first place, Mr. Chairman, I submit that we cannot consider the report now before the committee unless we start at the very beginning and consider the preamble. This is one objection to the reading of the amendments in the first place, except by unanimous consent. And there will be no unanimous consent, because I object to it—even if I am alone I will do so. That is my first point.

The second point is that when a special committee is appointed for a definite purpose, and a final report is sent to the house, that special committee does not any longer exist. A standing committee may exist, but not a special committee. Therefore unless there is unanimous consent we cannot do otherwise than examine in the first place the very same preamble to which I was referring. If the report is to be amended by a committee, a new special committee should be appointed to modify the report and to strike out the preamble.

Are we as members of parliament to stand for this general criticism of parliament? It is much more than a criticism of government. I say it is a criticism of parliament, coming from a committee headed by His Honour the Speaker, and on which there were two cabinet ministers. This, sir, is most unusual, and I must join with the leader of the opposition in making my protest. I do not see how any member of the house can stand for it. I hope, Mr. Speaker, you will be kind enough to make your decision on the two points raised by the leader of the opposition and myself.

Mr. NEILL: Mr. Chairman, I should like to make a very short comment upon what has been said in this matter. I believe the hon. member who has just taken his seat (Mr. Pouliot) is somewhat beside the point when he refers to the first part of the report as being a preamble. It is not a preamble, except in a very general sense. Certainly it is not a preamble such as one finds at the beginning of a bill.

But the hon. member is quite correct in his statement that when a committee of this kind reports it thereupon ceases to exist. That will be found in paragraph 664 of Beauchesne's Parliamentary Rules and Forms, which states:

> If a committee at the conclusion of their inquiry, make a final report to the house, the sittings of the committee are assumed to have been closed, and if further proceedings were desired, it would be necessary to revive the committee.

That does not matter so much at the moment, except that I believe Mr. Speaker told us the last time the matter was discussed that the committee might further consider the matter and make further representations. That, of course, would be impossible under the circumstances.

The leader of the opposition raised a further point of order. He said that some members might wish to speak on the general aspect of the report. I would also point out that in the earlier part of the report—which the chairman appears to have ignored, because he begins in the middle of it, at page 4—recommendations are made. What are we going to do with them?

I say that there is a definite recommendation by the committee, which reads as follows:

> We therefore recommend that, when the yearly estimates have been brought down, one day a week be set aside for consideration of supply.

Then there is the further definite recommendation:

> Our recommendation is that, when there is reason to believe that debate will be protracted, parties and groups recognized in the house shall confer and make arrangements—

And so on. It provides that groups shall get together and do something about it, a procedure which I submit is quite illegal.

There are two definite recommendations. What are we going to do about them? Because, the amendments to the standing orders having been considered, I presume the thing will conclude. Or are we to go backwards and begin again? Would it not be better to do as the leader of the opposition has suggested, namely, begin at the beginning and deal with all the recommendations, after having a general debate? The debate was by no means concluded when the matter was up some time ago.

Mr. MACKENZIE (Vancouver Centre): Mr. Chairman, might I say a word for purposes of expedition. It will be noted that on March 7 Mr. Speaker closed the debate, as it appears at page 1262 of *Hansard*, with these words:

> I therefore suggest that the committee report progress and ask leave to sit again on another day when, if the committee so desires, we may deal with the amendments which are printed on pages 149 to 152 of *Votes and Proceedings*.

I am suggesting that if we make the progress which I am assuming we would make in connection with the specific amendments to the rules of the house, we should vote upon them as soon as we can. We can give some indication as to whether we are against them or in favour of them, and have some action in the matter.

Ten specific recommendations are made by the committee. I believe the committee was unanimous in respect of most of them. But on the other hand I do not think it would insist upon any if the house were against them. In my view the essential procedure this afternoon is to find out upon what the house agrees, and to do it with all possible expedition. I do not think debate will help us much in regard to these specific recommendations. I suggest we leave the generalizations and the introductory features mentioned, so that we may deal with the specific amendments suggested by the committee.

Mr. GRAYDON: May I speak again on a point of order? In my view it would be unfortunate if this debate were to be extended to any great length.

Mr. BLACKMORE: I cannot hear the leader of the opposition.

Mr. GRAYDON: I am not disagreeing with my hon. friend. I try to speak as loudly as I can on these occasions, so that he will be able to hear. I agree to this extent with the Minister of Pensions and National Health, that perhaps it would be unwise, unless there is some special reason for so doing, to have an extended general debate in the matter. Nevertheless there are a number of members who, if the procedure were directed along more restricted channels, would be deprived of an opportunity to speak. Some hon. members who spoke on the earlier occasion had the advantage of speaking generally, and if the debate were restricted I believe those of us who perhaps now have something to say along general lines would suffer an injustice. I think it would be unfair to make that restriction, even at the expense of extending the debate a little longer than might normally be required.

When Mr. Speaker on the earlier occasion made his observations at the conclusion of that sitting, I do not think he had in mind any curtailment of the rights of those who might wish to speak in a general way, and in respect of the general aspects of the matter.

The report dealt not only with specific matters affecting changes in the rules, but it went on in some detail to philosophize somewhat in respect of rules generally, and house deportment. It is my belief that we would make just as much headway, and perhaps in the end save considerable time, if hon. members were given leeway in the same manner as obtained on the earlier occasion. I have always felt that when there is an attempt—I am not saying any such attempt is being made on this occasion—to curtail general discussion in the house it takes longer than if we proceed in the regular way. If hon. members have something to say we might as well allow them to have their say at this time. It is my suggestion, in order that the matter may be clarified, that we go on with the general discussion, beginning where we left off on the earlier occasion. Then, having finished that, we could get down to the particular items. I fancy it would not take quite so long then to deal with those items.

Mr. CRERAR: How shall we determine when that debate is finished?

Mr. GLEN: When I spoke at the last sitting of the committee in connection with the rules I did not intend there should be any limitation of discussion on the part of any hon. member of the committee. I was concerned, of course, principally with the passing of the amendments that will have to be discussed. The hon. member for Temiscouata (Mr. Pouliot) speaks of this as a preamble. It is not a preamble; it is simply the bases upon which the committee is being asked to pass amendments to the rules. When the amendments to the rules are being discussed there is nothing to prevent any hon. member of the committee from referring to what is a commentary on the reasons why the amendments were being asked for. But in view of the attitude of the hon. members who have spoken, which I think is the mind of the hon. members of the committee, I should be willing and agree that there should be the general discussion to which the leader of the opposition has referred. But I would point out that we are still on the first portion of the report, which is, if I may say so, the historical part of the reasons for the amendments. The matters before the committee, after all, are the amendments of the rules. That is the question for the committee. It is a matter wholly within the hands of the committee. Our committee have met and have reported. It is now within the judgment of the committee of the whole whether these few rules shall be amended or not. In so far as the committee is concerned it is entirely in the hands of the committee of the whole, which is now sitting.

Mr. ROY: After listening this noon to the finest music and the most harmonious melodies coming from the tower of the parliament buildings, it is painful to be confronted in this chamber with a report submitted for the purpose of restricting some of the most important rights, privileges and liberties of the people's representatives in parliament.

I would have no objection to most of the amendments submitted in this report. For the moment I shall not state any objection I may have to the amendments to standing orders 9, 12, 31, 37, 40, 43 and 44; but I am strongly opposed to the proposed amendment to standing order 49. This amendment completely contradicts the principles set forth in the presentation or preamble, if we can call it that, which appears in the report of the special committee.

The CHAIRMAN: I would ask the hon. member to speak to the point of order raised by the leader of the opposition. We are discussing the point of order at the present time.

Mr. BLACKMORE: I believe we should go on with the fullest, frankest and freest dis-

cussion of this whole matter. Parliament is the place where the people's representatives meet to talk. While the committee which considered the matter had a good chance to go into all the aspects of the proposed changes, a large number of the members of parliament have not had such an opportunity. I believe it will be altogether beneficial to have a complete discussion in this committee, even if it takes us a day or two. Let us remember that the rules as they stand to-day are the result of the experience of our forefathers over hundreds of years. We cannot afford lightly to change them. We should give most careful consideration to every proposed change. I therefore favour allowing complete, frank and general discussion before we proceed with the items.

Mr. CHURCH: I believe the point raised is either to call for a general or a clause by clause discussion of this report. There is one point I should like to point out. I think it would save time if we took up the report as a whole first and then considered the list of very moderate changes. The reference to the committee called for a revision of the standing orders of the house. It was a broad resolution and gave the committee the power to go much farther than they have gone. I refer to one matter that does not appear in the list, rule 9. In the British House of Commons under their rule 9 private members and all the members may question the government, ask questions which are not on the order paper, up to a quarter to four. They can practically cross-examine the ministers on any questions of urgent public importance. What is our rule? We have to move on an urgent matter the adjournment of the house and get twenty members to stand up. One may wish to question the government on one of the most important emergency questions that could arise, but unless one gets the support of twenty members one cannot do it. Take a question like housing. I could not ask a question on it to-day under our rules without moving the adjournment of the house and having twenty members stand. Even then the Speaker automatically has the power to say whether in his opinion it is an urgent matter. That I think is unwise. I suggest that general discussion take place first.

The CHAIRMAN: We have been discussing the questions asked by the leader of the opposition. The hon. member for Témiscouata mentioned a preamble. I think that has been answered. There is no preamble, only an introduction. I believe I know the consensus of the committee. I believe hon. members want a general discussion. It is recognized that this is not an ordinary measure. I believe it would be in order to allow a general discussion. There is no possibility of amendments as far as the introduction is concerned, but there is a possibility of amendments when the proposed amendments are brought before the committee for discussion.

Mr. DOUGLAS (Weyburn): Before we begin the general discussion, may we have some definite ruling from the Chair? After all, what we are dealing with here is a report of a special committee. Is the Chair proposing that we shall first of all have a general discussion and then consider the report section by section? If we have the general discussion, would amendments then be in order? Will there be a vote on the report as a whole? These amendments are not a series of proposals; they are brought down as one proposal as a report of the committee. I should like the Chair to make that clear; otherwise we may do a lot of rambling.

Mr. MACKENZIE (Vancouver Centre): I agree with the hon. member who has just spoken. I think there are ten distinct amendments. Each one is separate and each one should be dealt with separately. We should take the judgment of the committee as a whole on each one, and either reject it or adopt it, as the committee so decides. It is impossible to discuss the report as a whole, because the committee may agree with some of the changes and oppose others.

Mr. NEILL: How long are we going to take to dispose of the recommendations contained in what has been called the beginning of the report? We are starting in the middle. Are we going to go back to that, or ignore it?

Mr. MACKENZIE (Vancouver Centre): I should be inclined to ignore it.

Mr. RALSTON: One who proposes anything in connection with the rules has to take some responsibility. The hon. member has asked a pertinent question, namely, when do we proceed from the general to the particular, and when do we know that we have finished with the general discussion? If, Mr. Speaker, who is carrying this particular item on the order paper, would consent, and if the committee would consent, even though it may be irregular, that the first item might be called as it has been called now, with no limitations imposed except those which are imposed by the subjects discussed in the so-called preamble or the general introduction to the report; on that item full discussion might then take place on any of the subjects which are in the minds of hon. members. When that item is disposed of, the general discussion would be concluded, and we would then proceed with the different amendments which are to be dealt with. I

can understand that the general discussion in some respects will not be germane to the particular amendment to standing order 9, which is the first item. But at the same time if we all agree that it would mark the termination of the general discussion when the amendment is actually passed or disposed of, then the other items could be proceeded with. If we adopt that procedure we may get along.

I am sure that in amending the rules of the house we do not want to transgress the present rules more than is necessary and make the discussion any less regular than it would be under the rules we are endeavouring to amend. I cannot see how we are ever going to do anything practical if we just have a general discussion without terminating it with some sort of action by the committee on the items itself respecting standing order 9. It seems to me that the method proposed might provide a termination point for the general discussion.

Mr. POULIOT: Mr. Chairman, for the last few seconds the discussion has been over spilt milk. You have rendered a very wise decision. You have decided according to the wish of the committee. This is the very best kind of decision that anyone in the chair can render.

There are things that I disapprove and others that I approve. One of the things that I approve very highly is the fact that the Prime Minister notified the house a week ago that to-day, Tuesday, April 25, we would take up this matter. As a rule at eleven o'clock at night the government does not know what will come before the house the day following, but in this case we were told a week ahead. That is a good practice, which should be followed with respect to the agenda for every day of the session. Members should be notified long in advance of what is to come up on certain days, so that they can prepare themselves for discussion.

I have said that the first part of the committee's report is a preamble. His Honour the Speaker said that it was the basis for all the amendments proposed to the rules. That shows the importance of the matter, and I wonder if that preamble should not be read in the same fashion as a prologue to a Shakespearian tragedy. And what would be the tragedy? The tragedy would be that each member of parliament would put his head on the block, to deprive himself of rights that our forefathers gained for us.

What was the purpose of the amendments to the rules in 1927? It was to allow the Prime Minister, the leader of the opposition and some of the cabinet ministers to use some of the time of the private members; it gave them full latitude at the expense of the rights of private members, whose speeches were curtailed to forty minutes. The rights of members of parliament were taken away by those amendments, and the same sort of thing is proposed to-day. Why is it done? It is because of the fear that the government and the opposition have of the yellow press, which has been complaining, not of the government, not of the opposition, but of the role of parliament. I defy the press tycoons of Montreal, Winnipeg or anywhere else to discuss that matter with a member of parliament who knows what the rights of a member of parliament are. What are the rights of a member of parliament? It is shameful that in this country those who do not know anything about the work performed by members of parliament dare to criticize us and vilify us before the people. Long enough have members of parliament been considered nonentities. Long enough have members of parliament not been consulted on matters of great national concern, but have been told instead that such and such a matter is a military secret or that it was none of their business to be informed of the progress of the administration, whether in the right way or in the wrong way. But this is an abdication of the rights of parliament to be signed by ourselves. Are members of parliament going to sign the decree of execution of their own rights, the rights for which our forefathers fought so hard more than a century ago?

And now because some tycoon who is receiving a big rent for the selective service administration building here in Ottawa, and another one who is after all the ministers who have contracts for fine paper in Montreal, and another one who is here all the time seeking jobs, are so much concerned about the vigilance of members of parliament in denouncing them when they get things like that at the expense of the taxpayer, we are to have amendments to the rules of the house. I denounce these tycoons most bitterly as the enemies and foes of the common people. We must be respected, and we must be respected by the government as members of parliament if we want to be respected by our own constituents. We deserve more respect precisely from those who desire to curtail the rights of members of parliament to denounce them when they do wrong. That is why I feel so much humiliated on reading the preface which is the basis of the amendments, these uncalled for and untimely amendments that are proposed.

Why should members of parliament willingly abandon their own rights? Some members who sat on that committee had a smile on their lips. It would save the time of the

House of Commons, they said. Would it not save time if we had proper accounts? Would it not save time if the public accounts were just as good to-day as they were when Mr. Robb was Minister of Finance and Mr. Gonthier, a French Canadian, was auditor general?

But now it is different. Even the leader of the opposition, who is a genial fellow, rises in his place and says, "I do not want to take up too much of the time of the house." He has the right to take up as much time of the house as he wishes. Why should he apologize when he rises to speak, if he has something important to say? There is no reason for his apologizing at all, or for any member of parliament excusing himself for rising in this House of Commons to voice the complaints of his constituents. I do not see why there should be such an inferiority complex in members of parliament towards the government or towards the leader of the opposition or of any group.

Once someone wrote to the chairman asking him if there was not a precedent for some people speaking in committee. There are no precedents, Mr. Chairman, and if there were one, it would be the precedent of service to the country by a member of parliament. Long service? I never claimed it. I believe we are all equals. But I believe that my colleagues and myself deserve the respect of the Canadian people, and it is shameful, sir, that some press tycoons, taking advantage of the fact that they do not sign their articles, throw insults in the faces of members of parliament.

Sir, we must have some dignity. We have some rights. Let us keep them. I strongly protest against the three first pages of this so-called prologue or preamble. It is shameful. There is no reason to have those three pages in the record of parliament. It must be voted down; and then I shall be ready to discuss the amendments without fear or favour.

In my view all members of parliament should be on the same footing. There is no reason why anyone, whether the Prime Minister or the Leader of the Opposition, should be entitled to any more time than the least back-bencher on either side of the house. All members of parliament, whether on the treasury benches or to the rear of them, should have the same rights. I do not see why members have to curtail their speeches to forty minutes, except it be to give more time to others who are regarded as more important than private members in this chamber. But why should that be? It is opposed to the first principles of democracy. We contend that Canada should be on an equal footing with other nations; let us in the first place be equals amongst ourselves. That is the first thing. Then, let us have enough esprit de corps to join together to censure those journalists who spend their time in throwing contempt on members of parliament. Personally I am indifferent to their attacks; I have proved that again and again. They do not impress me. When anyone does his duty, why should he be fearful of criticism?

I ask my fellow members kindly to consider these matters, to read the first three pages of the paper which is before them; and then I invite them to reflect upon what they will say to their constituents when the general elections come, when someone may read to them the first sentence of this report:

> Your committee, in the performance of the important duty assigned to it by the house, has taken into account the existence of general criticism of parliament both by members and representative citizens.

Who are the members of parliament who have criticized parliament itself? Where are they? If there are any, let them raise their hands. I do not see anyone raise his hand. The chamber is full of members, but not one has raised his hand, and there is no one who will dare to do that. Then, who are these representative citizens? One daily newspaper in Ottawa, one in Montreal, one in Winnipeg, have spoken against the fact that members of parliament are voicing the complaints of their constituents here in this chamber. That is what we are here for.

I have said enough to bring to the attention of hon. members this most important matter, which has been overlooked by all those who were on that committee. It is not by kneeling down before the press that parliament will be respected. We can defend ourselves; our parliamentary life is an open book, and they have only to look at the records of parliament to see that we are not responsible for the legislation which is passed by a stroke of the pen by some individuals, contrary to the old way of passing legislation. But nevertheless we are doing our best to help our constituents —in a different way, if you wish. I admit that my hon. friends opposite are animated by as much good-will as those on this side of the chamber. I have never questioned their good-will, nor have I ever imputed motives to them, not merely because I desire to act in accordance with the rules of the house, but also to show my good-will towards them. I have been associated with members of parliament for twenty years, and I do not complain about that association. I think that members of parliament are a lot of good

fellows, working together in difficult circumstances, trying to do the best they can for their people, and they deserve something better than this. If someone says "This is an innocuous remark, you must pass it over and pay no attention to it"—as the Minister of Pensions and National Health has just said—that is childish. We must consider what will happen to our official status if this is passed; we must weigh it on its own merit. My fear is that it will be a stigma which will be attached to members of parliament, especially to the one who has just spoken, and who will be defeated at the next election by a tremendous majority—and for the good of the country—and that hon. members will sink down under public opprobrium.

Mr. GLEN: The leader of the house made the suggestion that in order to obtain some finality with regard to our discussion to-day the first amendment should be considered as an open amendment with a general discussion to take place upon it; and after that discussion has been had, and the first amendment passed or rejected, that we go on to the other amendments. He put the question to me whether I would be agreeable to that. I of course am perfectly agreeable to it. Perhaps it can be understood that on the first amendment there shall be the general discussion which would have taken place in the ordinary course prior to it, and when that is completed and the first amendment passed, we can then proceed to the other amendments on their terms.

Mr. NEILL: May I ask the Speaker a question? While that seems a very suitable solution, there is this objection to it. When you are dealing with the amendment to standing order 9, it is to be agreed that we are to discuss the general subject, and when that passes we go on to the next amendment. But that will not afford us an opportunity to vote on these two other recommendations which the report contains and which do not happen to be amendments of standing orders. That is where the mistake has arisen. Certain recommendations have been made. Some of them are quite good and worthy of consideration, and we ought to vote on them. We want an oportunity to vote on each one of them. If that could be arranged, I think the thing would go along quite smoothly.

As regards what has been termed the preamble, the Minister of Pensions and National Health suggested that we should "forget it". Well, that is not a very polite way of dealing with a recommendation of the committee. I believe that the Prime Minister said the other day that we should regard the first portion of the report with something like mental reserve—not pay too much attention to it, he said. But that is not my view. There is a definite recommendation in the earlier part of the report on page 2. I want an opportuntiy to discuss it and to vote on it. That seems reasonable enough.

Mr. GLEN: What part is that?

Mr. NEILL: In what is called the preamble. I read it out a moment ago. They make two definite recommendations:

> We therefore recommend that, when the yearly estimates have been brought down, one day a week be set aside for consideration of supply. If that is done, the house is not likely to find itself under the necessity of passing a great part of the estimates in the dying days of the session.

I think that is a good idea; I would vote for it. But that is not the point. The next recommendation is:

> Our recommendation is that, when there is reason to believe that debate will be protracted, parties and groups recognized in the house shall confer—

It does not say, with whom.

> —and make arrangements either for allotting days or laying any plan for saving time. . . .

And so on.

I strongly object to that—there is the more need for discussion. But let us do something about it; it is a definite recommendation. It is suggested now that we should start in the middle of the report and go on from there, and the minister of pensions says, "Let us forget the first part". I think it would be a good idea to forget the whole thing.

Mr. GLEN: I cannot follow the reasoning of the hon. member with regard to the first part of the report. It is not intended that anything in the first part of the report shall be an alteration in the procedure of the house. What is intended by the report dealing especially with the standing orders of the house is what is contained in the latter part of the report, and to that the attention of the committee is recommended. The first portion of the report, to which my hon. friend has referred, is purely the thought of the committee; it is theoretical, it has no bearing, and cannot be amended by anything the committee could do because it does not change the standing orders of the house. All that will be changed, if the report is adopted, are the amendments that are proposed, to be found on page 4.

Mr. NEILL: How can we accept or reject these recommendations without dealing with them?

Mr. GLEN: The hon. member may make his protest with regard to it, and when the time comes, if it ever does, that an amend-

ment is made to the standing order, the hon. gentleman will have the right to propose an amendment. At the moment, however, an amendment cannot be moved to the first portion of the report which would have an effect on our standing orders. All that we have to-day before us are the amendments, and these only can alter the standing orders. I suggest to the committee that on the first amendment with which we are dealing the general discussion should take place, and that immediately it is disposed of we proceed to the other amendments.

The CHAIRMAN: On the point raised by the hon. member for Weyburn, which was properly answered by the leader of the house, the Minister of National Defence (Mr. Ralston), it was the intention of the chair first of all to call the proposed amendments one by one, and that is why the first was called, so as to allow a general discussion.

Mr. NEILL: That is not the first one.

The CHAIRMAN: The first proposed amendment. There are ten which are enumerated in the document I have before me. In the matter brought up by the leader of the house, as to when the discussion will terminate, we have in this instance a procedure similar to that in connection with the war appropriation bill, and I believe hon. members as well as the minister himself realized that we secured a great deal of cooperation so far as the general discussion was concerned. When we feel that the time has arrived when we can properly proceed with the proposed amendments, the general discussion will be terminated. We will follow the same procedure in this instance as in the war appropriation bill.

Mr. REID: I think His Honour the Speaker has clarified in the minds of most hon. members of the committee what it is that we are about to do. It is distinctly understood that the committee is not going to pass, nor will it become the law of the house, what has been termed the preamble. That understanding will obviate a great deal of discussion. I take it from the remarks of the Speaker that we are about either to pass or to reject the recommendations which are numbered, and if passed they will become the rule of the house. But the opening observations of the committee simply stand as their considered opinion and are in no way binding on the members of the committee.

Mr. LOCKHART: With all due deference to what has been said by the member for New Westminster, my understanding of parliamentary procedure is that when a committee makes a special and final report and uses such language as "we therefore recommend", which has been referred to by the hon. member for Comox-Alberni, that recommendation is followed by something that is relevant to it. But can anyone show me where in the recommendations that follow there is any reference to one day a week being set aside for consideration of supply? Yet the committee in their preamble, or whatever you choose to call it, deliberately use these words, "we therefore recommend". I would ask any member of the committee, I would ask you, Mr. Chairman, to show me where there is a reference to that language in the recommendations themselves. I suggest that it is superfluous and we ought to clear up that point. I accept, as the member for Comox-Alberni does, this language inserted by a special committee of this house as being definitely a recommendation to the house, and I do not see how it can be discarded as being merely idle and useless words.

Mr. POULIOT: I move, Mr. Chairman, that pages 1, 2 and 3 of the introduction be struck out of the report.

The CHAIRMAN: It has been moved that paragraphs 1, 2 and 3 of the introduction be struck out of the report.

Mr. NEILL: Pages, not paragraphs.

Mr. POULIOT: Pages, Mr. Chairman. To support my amendment—

The CHAIRMAN: I shall have to rule the amendment out of order for the reason that the introduction is not before the committee. We have the word of His Honour the Speaker, as everyone will readily see, that we are dealing only with the proposed amendments to the rules of procedure of the House of Commons, so that the introduction is not before the committee.

Mr. POULIOT: If you will permit me, sir, I submit that what we have before us is not the interpretation of His Honour the Speaker but certain sheets of paper that are here and that we see with our eyes. It is not enough to say that certain language is not before us. That was not the meaning of my motion at all. What I expected was that the committee would show its disapproval of what is contained in these three pages. It is not a matter of our passing them over. The point is that as members of parliament we cannot accept what has been said in that introduction without becoming the laughing-stock of the country, and that is why I have moved to strike out those pages. At present it is not a question of His Honour giving his interpretation. His Honour is not in the chair; it is the chairman who is in the chair.

I submit that these pages form part of the official document. I regret that the signature of the chairman of the committee is not on this report, as it should have been if it were a true copy. We always see the signature of the chairman on reports that come from committees. This is a special committee but there is no signature. That, however, is a small point on which I will not insist. I hope that the committee will consider the seriousness of the situation and will not kneel down before those who try to depreciate our parliamentary institutions—those outside the house who do that job. I will therefore ask you, sir, to be good enough to reconsider your ruling. I will not appeal from it, because I do not like that kind of procedure, and I resort to it as little as possible. I hope however you will reconsider that ruling in the light of what has been said, which is an insult as much to you as to any other hon. member of the house, including Mr. Speaker. I protest strongly against it.

Mr. ROSS (St. Paul's): Is there a motion before the committee? If there is not a motion I do not see how we can vote on it.

The CHAIRMAN: The hon. member was not in the chamber when I called the first proposed amendment to the attention of the committee.

Mr. ROSS (St. Paul's): But there is no motion before the house.

The CHAIRMAN: Yes. There is a motion.

Mr. LOCKHART: His Honour the Speaker was chairman of this committee. I want to get myself clear on this before we proceed.

An hon. MEMBER: You had better.

Mr. LOCKHART: I will refrain from saying what was passing through my mind. I will ask His Honour to clarify this point. Probably I am not as brilliant as my hon. friend across the floor who interrupted. When language like this is used, "we therefore recommend that one day be set aside for supply," why is it that there is no properly written amendment in what follows later on to carry out that recommendation? To me these words are definite. That was in the mind of the committee, and I should like to know why there is no such amendment. I should like to know the reason for that, because these words, "we recommend" appear to me to be one of the most important things dealt with in the whole report.

Mr. GLEN: If the hon. member will look at page 2 of the report he will see these words:

> The procedure required to keep this privilege unimpaired—

That is with regard to the estimates being referred to a standing committee. Then it goes on:

> Certain estimates may be occasionally referred to a select committee in order to ascertain facts which the house desires to know, but this practice should be adopted guardedly and only in very special circumstances. Your committee does not think it would be advisable to change the present system and it believes that the elasticity of the present rules makes it possible to apply them in new situations from time to time. We, however, desire to submit that considerable time could be saved if the committee of supply sat oftener in the early part of the session. We therefore recommend that, when the yearly estimates have been brought down, one day a week be set aside for consideration of supply.

The next sentence is:

> If this is done the house is not likely to find itself under the necessity of passing a great part of the estimates in the dying days of the session.

It was the thought of the committee that some procedure should be adopted with regard to the estimates, but they were not in a position to suggest an amendment and in fact rather deprecated the idea of making suggestions at this time in regard to the manner of dealing with the estimates.

Mr. LOCKHART: Then that was definitely in the mind of the committee, if they wished to insert that reference into their report.

Mr. GLEN: They were definitely dealing with that matter; yes.

Mr. LOCKHART: Then could you explain why there is no reference to it in the recommendations?

Mr. GLEN: I think they were almost unanimously of the opinion that this was not a proper time to make any change with regard to the submission of the estimates to the house, and at the beginning of that paragraph the reasons for that decision are set out. I submit, Mr. Chairman, that the amendment which has been moved is not in order. There are no recommendations before the committee in this preamble; there are no amendments set out in pages 1, 2 and 3. At the moment we are dealing only with standing order 9, so that I think the amendment is out of order.

Mr. REID: If I may say another word, the statement has been made that there is no motion before the committee. I submit that there is a motion before the committee, the motion for further consideration in committee of the whole of the report of the special committee on the revision of standing orders and this is what we are considering to-day. We are considering the revision of the rules; we are

revising the standing orders. We are not passing the first three pages; we are dealing with the rules of the house, and that is what is before this committee.

Mr. POULIOT: May I remind you, Mr. Chairman, that the special committee sent us a report which contained an introduction. The report was discussed in this committee on a previous occasion, and progress was reported; to-day we are resuming that discussion. The report of the special committee cannot possibly be changed unless it is amended by this committee. No one has the power to delete the introduction to the report that was presented to this house. It was not the report of one or two gentlemen; it was the report of a special committee to the committee of the whole, in which we are now sitting. Now the special committee has vanished, after its final report has been presented, and the committee of the whole is the only body that can change the report. I positively deny what has been said by any minister or any other hon. gentleman to the effect that the first part of the report is not before this committee. It is, by the very fact that no one but this committee has a right to change the report.

My second contention, Mr. Chairman, is that we cannot deal with this report unless it is put in better shape by a revived special committee. Was it not the Prime Minister himself who suggested that the paragraphs should be numbered and who expressed dissatisfaction with the introduction? I agree that the introduction should go; but even if it is not on the pieces of paper which have been placed before you, Mr. Chairman, it is before the committee just the same, because it is part of the report of the special committee to this committee. That being so, I would ask you to reconsider your ruling and to decide that the introduction should be deleted from the report of the special committee, just as it has been deleted from the pieces of paper that are before you. After that is done we will have a breathing spell in which to consider the amendments.

Mr. ROY: I should like to give my heartiest support to the suggestion of the hon. member for Temiscouata; I am in perfect accord with what has been said by him and by the hon. member for Comox-Alberni. There must be a reason for everything. If this preamble is not worth looking at, I do not know why it is here. Furthermore, as was pointed out by a previous speaker to my right, this preamble is full of recommendations which are very important, but which are not followed up by suggested amendments in the remainder of the report. If this introduction is not to be studied before we deal with the amendments there is no need to have it there at all. Moreover, it is dangerous to retain it. Just to give an example of the danger involved in this preamble I should like to quote a few lines from it. At the bottom of page 2 I read this:

> Our recommendation is that when there is reason to believe that debate will be protracted, parties and groups recognized in the house shall confer and make ararngements either for allotting days or laying any plan for saving time whilst protecting freedom of speech for every representative of the people who sits in this house.

That is a very important recommendation, and many others are contained in this introduction. If we should take up the amendments and adopt the whole report, the introduction together with its recommendations would have to be adopted as well. That is the danger I want to bring to the attention of the committee. Moreover, not only recommendations of this kind are contained in the preamble; we find also some contradictions of great importance. Hon. members have just heard what I have read from page 2. I say that suggestion is not in accordance with the premise appearing on the first page. It sets forth a principle which is not in accordance with what I have just read.

In the third paragraph of the first page, at line 13 we find this:

> Parliament is the assembly of representatives elected by the people where great issues are debated, or should be debated; it is not primarily a body of auditors charged with the inspection of departmental accounts. Freedom of speech is one of the inalienable privileges of members of the House of Commons. It is in truth the privilege of their constituents and it is secured to members not for their personal benefit but to enable them to discharge the funtions of their office. Without it, the essence of the country's liberty does not exist.

Apparently that principle is not taken into account when it is suggested that when debates are protracted there should be some kind of agreement among the recognized groups or parties, and that private members must not have anything to do with any decision so made. Why include the recognized groups? Why not the opposition and the government only, or the government alone? That would look even more like Hitler's way of governing a country.

As I said before, we should study the introduction, and see what we are going to do with it. The amendment proposed to standing order 49 is as follows:

> Only one amendment and one subamendment may be made to the motion for the address in reply to the speech from the throne and to the motion for the Speaker to leave the chair for the house to go into committee of supply or ways and means.

Here is an amendment which restricts the very principle set forth in the first page of the introduction. How can we accept this amendment? How can we accept that suggestion with respect to the understanding which should be arrived at among groups or parties, if at the same time we are to recognize this other principle? There is too much contradiction in that. That is why I support the suggestion made by the hon. member for Temiscouata to the effect that either we discuss the introduction fully, before we study the amendments themselves, or that it should be stricken from the report.

Mr. MacINNIS: Mr. Chairman, I hardly know where we stand. I understand the hon. member for Temiscouata moved an amendment to delete the introduction, and that you have ruled it out of order. Nevertheless the hon. member who has just taken his seat made a lengthy speech in support of that amendment. Surely we should have matters clear in our minds. I see no reason for such confusion. Mr. Speaker made the situation quite clear. The only observation I would make, possibly to make it somewhat clearer, is that the word "recommend", in the two instances where they occur in the introduction, should be changed to "suggest". I say that because the committee is not, in fact, recommending. There are general matters within the ambit of the government's right in organizing the business of the house. The committee was merely making a suggestion that the government should follow a certain procedure. With this further clarification of what Mr. Speaker has already said I would hope that we might now proceed with the discussion of the specific amendment to the standing order proposed by the committee.

Mr. GLEN: The hon. member for Vancouver East has made the suggestion with regard to the word "recommend". I entirely agree that the meaning of the whole paragraph would be more clear in the minds of all hon. members if the word had been "suggest" instead of "recommend". That, I may say, was the intention of the committee. It was not the intention to recommend; rather it was to suggest. The very words in the paragraph indicate that we were making no recommendation; rather it was to be a matter for consideration by the government of the day. The hon. member for Vancouver East is perfectly right when he says that the word "suggest" would convey the meaning of the committee better than the word which was used.

Mr. NEILL: Unfortunately we are dealing with what was said, not what was thought.

[Mr. Roy.]

Mr. CHURCH: May I add a word to what I said earlier in the afternoon? First of all may I compliment Mr. Speaker, Mr. Deputy Speaker and the Clerk of the House. These three gentlemen especially have been performing great public services in a time of war.

There is no doubt that in war time, rules are to a great extent unwritten. That has been so in the British parliament. In some instances before us now changes have been very radical, while in others they have been of minor importance. One of the points which I thought might have been considered was considered in England ten years ago. I have in mind parliamentary reform, constitutional reform, cabinet and law reform, and a more equitable division of the work of parliament between the two houses, namely the House of Commons and the one in another place.

In my view more latitude should be allowed for the asking of supplementary questions, more than the three mentioned in the report, especially in a time of war. For instance, it was not until the 119th day of the last session that the matter of foreign affairs was discussed in this house. An amendment has been suggested with respect to questions asked when the orders of the day are called. When the committee reported there was a statement to the effect that no hon. member had written making any request. The fact is that both one year ago and two years ago I wrote letters of that kind, and gave copies to leaders in the house. It was not necessary, I said, to pass a resolution in order to allow us to put supplementary questions to ministers when the orders of the day are called.

In England standing order 9 provides that questions which have not appeared on the order paper, but which are of an urgent nature and relate either to matters of great public importance or to a rearrangement of the business of the house, may be put at the opening of a sitting, extending from a quarter to three to a quarter to four. Under that rule members have an opportunity practically to cross-examine the ministry in respect of matters of great public importance.

I have in mind a new book issued in 1930 by G. F. M. Campion, then second clerk, now Clerk of the House of Commons at Westminster, who has since been knighted. I believe the book written by our own learned and able Clerk compares most favourably with this great text book, which, in part, states:

Not later than three o'clock the question hour begins. This is a more important item of

business than any yet described. It is expected to provide lively moments and seems to be of unfailing interest to members and the public. It is modern and affords a useful method of supervising the administration of the government. Its effectiveness is generally recognized. Questions 'turn a searchlight upon every corner of the public service.' (Lowell, i. 332). Their chief object is 'the explanation to the public of the meaning of political events,' and 'they are often arranged by the government itself, so as to give them an opportunity of making announcements in a somewhat informal way.' (Redlich, ii. 241 and 242). They are 'serviceable as obviating the necessity in many instances of more extended debate and of motions for papers.' (Todd, 1982, ii. 85). And finally, 'questions afford to the private member under modern conditions almost his only opportunity.' (Marriott, i. 571).

Under standing order 1 of our rules, according to the Parliamentary Rules and Forms, so well written and edited by our learned Clerk, in all cases not provided for in our orders, the usages and customs of the British house as in force at the time shall be followed. Under our rules as they are at present an hon. member should have the latitude on the orders of the day of asking these supplementary questions, because it is a useful method of supervising the administration of the government. Its effectiveness is generally recognized. Questions turn a searchlight upon every corner of the public service. Their chief object is the explanation to the public of the meaning of political events, and in the old country they are often arranged by the government itself so as to give them an opportunity of making announcements in a somewhat informal way. I think the rule recommended by this report before us allows only three supplementary questions. In view of the importance of the war I think that more questions than three should be permitted, because it would mean saving time.

There are only one or two other matters that I should like to refer to. I should like to say a word about select committees and special committees of the house with reference to the submitting of expenditures of money to these committees. Very little value has been obtained in that way. The same thing applies to the finding of facts and obtaining of information through committee work. Take the railways and shipping committee. It was a special committee. It has now been made a standing committee. They meet and hold three or four meetings and then adjourn. A report is brought in. At the last session it was brought in the last day but one of the session. There is very little control over those expenditures. Steps were taken in England three hundred years ago to give parliament control over the executive and a civil war was fought there to secure such control. To-day we are back where we were two hundred years ago. There is a war on and four billion dollars have been expended. What do we know about it? We have the war expenditures committee sitting but we cannot discuss the report. So far as the members of the house are concerned they are forgotten now as a body by their special committees and references to control boards and commissions. Practically all our rights, privileges and functions have been taken away, with the result that the high court of parliament has been turned into something which it was never intended to be. We are a legislative body and those other bodies are created with executive powers. In the olden days under the constitution the executive was the cabinet, but to-day we have such a number of these control bodies and their subcontrols—there are now nearly one hundred —that parliament has divested itself in actual practice of any control over one dollar of expenditures.

What I point out to the committee is this: I believe the time has come to adopt constitutional reform. I proposed it fifteen or twenty years ago when I first came into the house. I proposed that we adopt the municipal system of supervising the estimates of the public departments. I suggested that the committee of the whole house be given the power to suggest to the minister that for economy purposes he reduce his estimates ten per cent, twenty per cent, thirty per cent or whatever the committee saw fit to do. That is what is done under the municipal organizations where the expenditures of the heads of departments are supervised. Under our constitution, which has been in existence for two hundred years, that cannot be done because if one dollar is struck off the estimates the cabinet must resign and a new election be called. I suggest that something along these lines should be done. I believe that the time has come to assign to the other branch of parliament in another place some executive powers and further powers in war time. They made that reform in England in the House of Lords at least fifteen years ago with the result that when the war came along they were found to be doing good work. The Prime Minister suggested a select committee be appointed to look into the Ottawa agreement. He suggested that that should be a joint committee of the two houses. We have had this committee on the revision of the rules sitting during the war, and some of the recommendations that they have made are very good. But further power by changes of rules should be assigned to the other branch of parliament.

The other matter I should like to refer to has to do with public bills versus private bills.

There is a whole list of these private bills on the order paper. They come mainly from the other place, since they are largely divorce bills. At the end of the session they are put through. Bills of business concerns originate in the other place and that should as private bills originate here. There should be some check and control over that. Public bills of private members have been relegated to the last page on the order paper. They may as well not be moved. While some of the agencies of these public bills would assist the conduct of public business, parliament has ignored them since the war started and for many years before, and this parliament has been losing its prestige in the country. The taxpayers of the country are the people who pay the bills. The members of the House of Commons do their part, but the large body outside the house, the man in the street and on the bus pays the bills. This is the only forum that I know of where the average man on the street can get his grievances remedied. When this parliament ceases to function as such, parliamentary government is at an end. The private member is the connecting link between the government of the day and the elector, and when he ceases to function efficient parliamentary government is at an end. The rights and privileges of the private member have been curtailed and thus taken away from him. He cannot ask a single emergency question in war time without coming in conflict at times with the rules. We have been very fortunate in our Speaker and Deputy Speaker in that they have sensed the feeling of the house, as has our learned Clerk. But I say, Mr. Chairman, that there could be more latitude given to the consideration of public bills in order to improve the conditions of the taxpayers who pay the bills. They should have precedence over the private bill of some individual or some company that seeks legislation mainly for its own benefit.

Mr. LALONDE (Translation): On page 2 of the report which is now before us, I notice the following:

> Your committee, in all its deliberations, has kept in mind the importance of not impairing the rights of minorities.

I believe that we have started the discussion of this report the wrong way in interfering on two different occasions with the rights of minorities. In the first place, I asked one of the pages to bring me a French copy of the report, but the French translation is not yet ready. I do protest, Mr. Chairman—and those who know me are aware that I harbour no feelings of bitter fanaticism—I do protest against the fact that such an important report has not been printed both in French and in English and distributed to French-speaking members in their own language.

I take this opportunity to protest against the practice which is followed in this house of distributing official documents in one language only.

I should, of course, have liked to have more time at my disposal in order to make a detailed analysis of this report, which amends to a considerable extent the rules of parliamentary procedure.

The CHAIRMAN (Translation): For the information of the hon. member for Labelle (Mr. Lalonde), I may say that the committee's report was published in the French language in the French edition of the *Votes and Proceedings* of the House of Commons on Friday, March 3, 1944, as well as in the official report of debates on Tuesday, March 7.

Mr. LALONDE: I thank the chairman of the committee for that information, which I had already obtained, but I do protest against the fact that French copies of the report have not been made available to French-speaking hon. members. The other minority groups to which I refer are able to take care of themselves and I shall not take up their defence. The hon. member for Gaspé (Mr. Roy) has emphasized his opposition to rule 49. On page 9 I notice the following:

> The debate on the address in reply to the speech from the throne covers the whole ground of administration and is repeated when the budget is brought down. This debate has been abolished in the House of Assembly of South Africa where the following standing order is now in force: "Mr. Speaker shall report to this House the Governor General's speech, and there shall be no debate on such report."
>
> Your committee felt that the house could not abolish this debate, but it realized that the scope of discussion was so wide and the question of relevancy almost non-existent on this particular occasion that the freedom of speech of every member, party or group would be fully preserved by limiting the number of amendments in the same way as on the motion for committee of supply. These two motions are in the same category, namely, they furnish occasions for airing grievances and making suggestions to the government.

And the amendment which is suggested, Mr. Chairman, is as follows:

> Only one amendment and one subamendment may be made to the motion for the address in reply to the speech from the throne and to the motion for the speaker to leave the chair for the house to go into committee of supply or ways and means.

Must I understand, Mr. Chairman, that only one amendment will be permitted, or, on the other hand, will any member of the house be permitted, if his amendment is relevant to the main motion, to move as many subamend-

ments as he likes provided they are discussed one after the other? Otherwise, if just one subamendment is permitted I cannot see how the rights of the minorities in this chamber will be protected. I understand that any member of the house has the right to move a subamendment to an amendment provided he is within the scope of the main motion or the amendment.

I would like to have a clear explanation from the Chair or from Mr. Speaker concerning this proposed amendment to our standing orders.

Without prejudice to what I have said, Mr. Chairman, I shall now conclude those brief remarks, in expressing the hope that they be favourably considered by yourself and the members of the committee.

Mr. ROY: Hear, hear.

Mr. LALONDE: I would like to have an answer to my question if possible, Mr. Chairman.

The CHAIRMAN: As the hon. member for Labelle realizes, we called the first proposed amendment and allowed a general discussion. The question he has asked is pertinent to another proposed amendment which we shall reach later, and then his last question could be more readily answered.

Mr. LALONDE: I thank you very much, Mr. Chairman. I will be there to discuss it when we reach it.

Mr. NEILL: If the amendment to standing order 9 passes, it automatically passes the whole of the preamble, which contains two definite recommendations which I wish to discuss. This committee did not agree to that. The chairman has just told the hon. member that that was the arrangement. That was not the arrangement, Mr. Chairman.

Mr. RALSTON: On the point of order, Mr. Chairman, there is no question with which the government officially has as little to do as on a question of this kind. It is a question absolutely for members of the house, and I would not intervene in any way except perhaps to the extent that I may have some responsibility for assisting in promoting regularity of debate and helping to expedite, if I may, the business of the house. The hon. member for Comox-Alberni is perfectly right. There was no agreement that the suggestion I made would be accepted. But is not the situation this? There is at this minute before the house an amendment to standing order 9 which has been regularly moved and which has been called by the Chair and which is now open for debate. Some objection was taken to discussing standing order 9 before discussion of what was called the prologue or preliminary part of the report, and it was suggested then, in order that there might be the greatest latitude possible, that we should have some general discussion of the preliminary part and of some of the principles which were there laid down. Then I had the temerity to suggest that in order to regularize debate and to know when the general discussion had ceased and when we were embarked on the job of dealing with the different amendments in order—in other words, to provide some terminal facilities for the general discussion—we treat the general discussion as taking place on the amendment to standing order 9, and that when the amendment to standing order 9 was disposed of, either voted down or agreed to or amended, the general discussion would be over and we would go on with the other amendments.

Mr. NEILL: That is just my objection. The general discussion would then be over, and the preliminary part of the report which comes under the general discussion contains two recommendations on which I wish to speak. If the amendment to standing order 9 passes, that other part goes through automatically. I protest against that, and I think I am within my rights when I say I want an opportunity to vote on the two recommendations contained in the earlier part of the report.

Mr. RALSTON: My suggestion does not meet my hon. friend's desires if he wants an opportunity to vote as well as to discuss the two recommendations he mentions, but it does provide him with ample opportunity to discuss them, because I suggested that the general discussion, including the two recommendations my hon. friend mentions, take place on the item now before the Chair. I thought that was probably sufficient for members of the house. I have looked at these two recommendations and I think my hon. friend will agree with me that no changes in the standing orders are required to give effect to them. One is a recommendation with regard to regulation of the business of the house, and the other is more or less of a pious recommendation, if I may say so with all respect to the committee, that people of good will shall confer one with the other with regard to the conduct of the business of the house. That is not something which you could embody in a standing order or in a regulation. So it seemed to me that all that was necessary in connection with either of these recommendations mentioned by the hon. member for Comox-Alberni was that they be discussed and perhaps their futility, if that is the opinion of some members of the

house, be exposed or their merits proclaimed, if that is the opinion of some other members; and then call it a day so far as those preliminary recommendations or suggestions are concerned.

Mr. NEILL: But we cannot vote on them.

Mr. RALSTON: If my hon. friend wants an opportunity to take the opinion of the house upon them, the only way I can suggest, and I do not know whether it is in order or not, is that after we have disposed of the items somebody might bring in a motion either censuring the committee or commending the committee and provide an opportunity to vote on his motion. I mean that seriously; I am not sarcastic. It seems to me that that would be one way of dealing with it. I cannot imagine that it would be quite in order for a committee of the house solemnly to express the opinion that the government might do so and so in the way of arranging business of the house or that groups should confer about procedure. I would regard that merely as a suggestion which could be acted upon or otherwise as they thought fit.

May I suggest that perhaps some members have read this preamble or prologue too critically. All it does is to indicate that there have been criticisms of procedure in the house but that those criticisms are more or less based on a misconception, and it endeavours to point out those misconceptions. In any case, I suggest to my hon. friend that those criticisms really have not much to do with the recommendations to which he refers. If he himself feels that he should criticize the committee for making those remarks, well and good, but that does not get him very far in wanting to vote on those two particular recommendations.

Mr. NEILL: I want to vote for one and against the other. How am I to do that?

Mr. RALSTON: If the hon. member asks my advice, I would simply make the statement he has now made and give his reasons for it, and he has plenty of opportunity to do that in the debate. He can be sure of this, that in connection with the one he wants to vote against, the fact that there is no vote now will not prevent him from voting against it if it should ever come up, because this committee will not have passed on it favourably, will not have approved it. Therefore at any time that anyone wants to adopt the proposal which he says he is against, it will be open to him, he can be sure, to oppose it. With regard to the recommendation of which he is in favour, it is true that he does not get the opportunity of finding out whether the committee is with him on that particular point, but I would say here again that the fact that he has not just now an opportunity to support it will not prevent him from voting for it whenever it should come up in some regular form. I assume that the one of which he is in favour is that with regard to supply.

Mr. NEILL: I do not know that I have to state my case, but that happens to be it. All I ask is the opportunity to vote on a definite recommendation made by a committee of this house. The minister can explain it away as he likes, but I am not going to be deprived of my rights, and there are others here who share my views.

Mr. RALSTON: I am sure my hon. friend has misunderstood me entirely. I thought he was trying to explain what recommendations he favoured and what recommendations he was against. I withdraw my question entirely. I do not want him to disclose anything he does not want to disclose. The only reason I wanted to know which he was in favour of was to find out if he was in any way prejudiced because he was not able at this time to vote, because the committee would not be dealing with his particular question.

Mr. NEILL: The minister is correct.

Mr. RALSTON: I do not know what the question is. However, I submit to the committee, as a humble member of the house, like anyone else, that we have some pretty important amendments before us, which do afford opportunity for a full discussion of important questions of procedure, questions which involve not only the saving of time but the expediting of business generally. I suggest that, if that be the fact, there is a definite recommendation before the committee. There is full opportunity of discussing the report. Nobody has seen fit to bring forward the two recommendations to which my hon. friend refers, and neither of them I have pointed out, is germane to an amendment of the standing orders. I submit that we should proceed now as members of the house to the discussion of the first amendment, including a full discussion if it is desired, by everyone who is interested, on the two recommendations to which my hon. friend refers, although they are not embodied in the amendment of the standing orders. Then when we have discussed that, we can deal with the other amendments to the standing orders and go through with them. I tell my hon. friend that I will do the best I can to see if I can find any procedure under which he can get this committee or some committee of the house on record with regard to the two recommendations in which he is interested. I believe that when he comes to think the thing over he will content himself, as other hon. members have contented them-

selves, with expressing an opinion on a recommendation which is purely a suggestion and which is not before this committee, and leaving that opinion on record to be implemented by his vote whenever that recommendation comes up for actual discussion and decision by the house.

Mr. NEILL: Pardon me; it is before the house.

Mr. RALSTON: I do not think it is. It is not before the committee. The motion before the committee is the amendment of standing order 9.

Mr. NEILL: We have never reached that.

Mr. RALSTON: It has been called. My hon. friend will remember that there was a distinct agreement, I think on everybody's part, that the job to be done was to put these recommendations in order and number—that is, the recommendations which were recommendations with regard to standing orders.

Mr. NEILL: It has not been done. They are not numbered.

Mr. RALSTON: They are in order. It was agreed to put them in order so that they might be dealt with as resolutions.

Mr. NEILL: Except the two.

Mr. RALSTON: But the two are not amendments of standing orders.

Mr. NEILL: No, I did not say they were.

Mr. RALSTON: And they are not amendments of the procedure set out in this book of parliamentary rules.

Mr. NEILL: I never said they were, but they are recommendations of the committee.

Mr. RALSTON: But we are talking about amendements to standing orders. Now, that is what is before the committee, and that is the matter which has been called.

Mr. KNOWLES: I rise to what I think is a point of order. The Minister of National Defence referred to a formal motion now before the committee with respect to amending standing order 9. I should like to ask him, or you, Mr. Chairman, when such a formal motion was made. As I understand it, the only motions which have been made with respect to this matter were motions made when Mr. Speaker was in the Chair: one made on March 7 by the Prime Minister that we go into committee of the whole to give consideration to this report, and a similar motion made to-day while Mr. Speaker was still in the Chair. I believe one of the reasons we are having so much difficulty is that we are simply considering a report without any specific, formal motion before us. The only actual motion which was made to-day in committee was the one made by the hon. member for Temiscouata and which was ruled out of order. It seems to me that it would expedite matters if someone, preferably a private member I would say, were to move formally the adoption or the approval of the proposed amendment of standing order 9, so that we might get on. I rose to a point of order really to ask the Minister of National Defence if he would indicate when the formal motion to which he referred was made.

Mr. RALSTON: I do not know just what *Hansard* will show, but I distinctly heard, I think, the Chairman, after he took the Chair, use some such words as these, "The motion is that standing order 9 be amended" by doing so and so, and that is what I understood to be the item before the Chair. The Chairman can correct me if I am wrong.

Mr. NEILL: Who made the motion?

Mr. RALSTON: The motion, of course, would be called by the Chair and would be made by the Speaker. Let us check on that. The Chairman is here.

The CHAIRMAN: The statement of the minister is correct.

Mr. ROY: May I ask the Minister of National Defence a question the answer to which might clarify this deadlock? If the discussion should proceed on standing order 9, after general discussion of other items or amendments, and when those amendments or any of them should be accepted, would the report be accepted altogether, or would the latter part be accepted separately?

Mr. RALSTON: I understood that the agreement the other day was that we were to have the amendments to the standing orders put in order, in the form of separate amendments. The hon. member for Comox-Alberni objected to our talking about recommendations without identification, for instance "the recommendation in the middle of page so-and-so." He wanted them where they could be identified and separated; and as I understand it, we are dealing to-day with those amendments placed in that form. He has pointed out, quite properly, that they are not actually numbered, but they are in order, and can easily be identified as amendments of standing order so-and-so. My hon. friend has asked whether, if the amendment of standing order 9 is passed, that includes the passing of the so-called prologue or preamble. I take it that it does not, that it has nothing to do with the prologue or preamble, that the prologue or preamble has nothing to do with the

amendment of standing orders as such; that, as each amendment is passed, the disposition of each one stands on its own feet. Consequently what emerges will be such amendments of standing orders in this book of parliamentary rules as are approved by this committee. There would therefore be no action by the committee approving these first two pages, which deals with certain general subjects and includes what the hon. member for Comox-Alberni calls "recommendations", but are really opinions and suggestions on two points of procedure in connection with handling the business of the house.

Mr. JOHNSTON (Bow River): May I ask if this procedure is not the accepting of the committee's report and if, in so doing, you certainly are not accepting or adopting the recommendations made by the committee? I rather agree with the hon. member for Comox-Alberni when he says that he does not want the preamble put in with standing order 9. If you look at page 2, regardless of what the Speaker has said in defining that word "recommendation", which he suggests should be changed to "suggestion"—I would point out that that has not been done yet—the report distinctly says "we therefore recommend". That is a recommendation. It goes on to say what the committee recommends. Taking the suggestion of the Minister of National Defence, that you include the preamble with the first amendment—

Mr. RALSTON: No. I have not suggested that; I said you could talk about it.

Mr. JOHNSTON (Bow River): I believe it would expedite matters greatly if we would so arrange it as to vote on the preamble first, because there are recommendations there. If the chairman of the committee, who is the Speaker, wishes to change the word "recommendations" to "suggestions", that might alter the opinion of the hon. member for Comox-Alberni and of others as well who object to it. But if you accept this language as it stands, in the final analysis you are accepting the recommendations as laid down in the preamble. They are recommendations; there is no doubt about it. They may not be intended to be regarded as recommendations, and I take it from what the Speaker said a few moments ago that that is not the intention, that they are offered only as suggestions to the committee. But that does not alter the fact that as stated in the preamble they are recommendations. I suggest that we could solve the difficulty by taking the preamble first and disposing of it.

Mr. REID: I take it that the report of the committee differs in no way from other reports submitted to the House of Commons, and until this committee adopts the report that is before us, the report does not become effective. We have the report before us at the present moment and we are now deliberating the question of changing the standing orders and rules of the house. We may either adopt or reject the amendments, but in our discussions we shall not be deliberating upon what has been called the preamble to the report.

Mr. RALSTON: I think I am correct in saying that the preamble is always the last portion of any measure that is passed, not the first. It simply means in this case that we do not reach the preamble but everyone will have expressed his opinion on it if he so desires. May I say this to the hon member for Bow River (Mr. Johnston). The last recommendation to which he refers is that:

> When there is reason to believe that debate will be protracted, parties and groups recognized in the house shall confer and make arrangements either for alloting days or laying any plan for saving time whilst protecting freedom of speech for every representative of the people who sits in this house.

I ask my hon. friend, suppose the word "recommendation" were changed, would it make the slightest difference? The house is passing a resolution about something it cannot enforce. It is dealing entirely with a suggestion to the leaders of the various groups in the house with reference to conference, and it is really not an effective recommendation at all. It is a suggestion to those who have to do with the proceedings of the house that they may by compromise and convention make certain arrangements. I agree with the member for Comox-Alberni that the other is a little more definite. The recommendation is:

> We therefore recommend that, when the yearly estimates have been brought down, one day a week be set aside for consideration of supply. If this is done, the house is not likely to find itself under the necessity of passing a great part of estimates in the dying days of the session.

—that is really a suggestion to the government, or whoever may be responsible for determining the day-to-day business of the house. It is not a suggestion to the committee.

Mr. LOCKHART: Does the word "recommend" there mean something different from what it does on page 4, where it says, "The following amendments to standing orders are recommended"?

Mr. RALSTON: Perhaps the word there has the same meaning as in the context I have

quoted, but the point is that it is a recommendation to someone else. One recommendation is to the house, that we make certain amendments to the rules, and the other is to the government, that, in allocating days for business, they do certain things. My attention is called to the fact that in 1927 there was a similar committee sitting, and while the preamble of the report then submitted was very much more innocuous than this one, at the same time there were, however, one or two expressions indicating principles to which the committee had adhered and which might have been taken exception to by anyone who was then considering the report. I am instructed that the preamble to the report on that occasion simply treated as an introduction. It was not dealt with at all, and we find in volume 64 of the *Journals* of 1926-27 a tabulation setting out the amendments to the standing orders which were then dealt with, just as we have tabulated the amendments now proposed. The preamble itself, in the report of 1927, stated that the committee had agreed to certain amendments. I quote:

> Your committe has adhered to the principle that the greatest freedom be allowed the house in both its debate and proceedings.

I am sure that someone could get up then and say that the committee had done no such thing.

> Factors tending to restrict liberty have been eliminated.

That could have been made a controversial issue.

> The tendency has been to reduce the number of standing orders and to make them clearer, with the object that only absolutely necessary rules be in force, so that the house will be more particularly guided by the general principles followed in British legislative assemblies and familiar to parliamentarians in Great Britain and the self-governing dominions.

That report was passed, not by dealing with the preamble but by dealing with the standing orders.

Mr. GLEN: There is apparently a great deal of confusion in the minds of some hon. members on the question whether in the forepart of the report the intention is that what is stated shall be binding on the house or on the government as the case may be. I believe, however, that every member of the committee is clearly of the opinion that no such intention was contemplated when the report was drafted and framed. The whole intention was that it was a suggestion only and not a recommendation, and personally I cannot see how any possible amendment can be made. The first part of the report, as well as the evidence of the words in themselves, is clear that that was only intended as a recommendation, or a suggestion or direction, if you like, to government as to certain matters in connection with the estimates, and also, in the second part, in connection with the rules and as regards the protraction of debates. I think I am speaking definitely the minds of the members of the committee when I say that this was a matter which they discussed and which they thought should be dealt with, but that they did not intend to make any revision of the standing orders for the purpose of giving effect to it. Their whole intention was that they should consider only the amendments which they felt they should submit to the house, and that is what I submit we should now deal with.

Mr. NEILL: May I make one last and no doubt futile effort to convince the government or the chairman as to the merits of this question. I do so in no spirit of antagonism to the government. Indeed, I wish to vote for one of these recommendations. I cannot understand however why the Speaker, the chairman of this committee, appears to be anxious to do the Charlie Chaplin act and disavow the paternity of his own baby. True, he may claim that it is not entirely his individual paternity, but he shares the responsibility with other members of the committee and now he appears like Charlie Chaplin to be hesitating and is anxious to repudiate paternity.

The report was brought into the house and, as the hon. member for Lincoln very truly says, it is obviously a report. The Speaker has made the suggestion that the word "recommend" in regard to the estimates is a general phrase; it is like the man who wrote a beautiful poem in regard to his regret over the mistakes of his lifetime, or perhaps even of the previous twenty-four hours, when he said something like this, "Flowers you might have sent, dear, are your haunting ghosts to-night." The Speaker seems to think this is a sort of academic thing which can be dismissed with his blessing in that way, but that is not the way in which it is brought into the house. This is what was said about it by the most astute constitutionalist in Canada, the Prime Minister, at page 1255 of *Hansard* for March 7:

> We might well assume, I think, that so far as the first half of the report is concerned, if I may so designate it—

We seem to have a hard job defining it; one calls it a preamble, another calls it the first half; I think another called it an epilogue, and the next thing we know it will be a funeral oration.

> —hon. members should not be committed too literally to all the statements which it sets forth, or to all its observations. They are

general in nature, and in voting for or against the adoption of the report, if we are expected so to do, we might well, I think, be allowed to have certain mental reservations with regard to the adoption of all that appears there.

The Prime Minister wanted to have certain mental reservations, but some people object to that. They say, "We are going to vote on that on its merits, yes or no; we are not going to have a corner of our minds or hearts in which we believe something different from the way we vote." Now the Minister of Pensions and National Health comes along and says the best thing we can do is to forget about it. That would be a very sad end to this report, which has been drawn up by some of the cleverest lawyers in the house; of the fourteen members of the committee I think nine were lawyers. Now we come down to the simple view. I am not opposing the report, but I want to discuss it. This matter can, I think, be settled in five minutes. The hon. gentleman who is leading the house tries to cover it up by saying that this does not really mean "recommendation" but that it means "suggestion", and I think one hon. member went so far as to say it was only a pious hope. It means just what it says; it is a recommendation. The word "recommend" on page 2 means exactly the same as it does on page 4, where we read:

The following amendments to the standing orders are recommended.

Get out of that if you can; say that in one place on page 2 it means nothing while in another place on page 4 it means everything. I cannot understand all this difficulty; all that is necessary is what I asked should be done the last time this matter was under discussion, that the recommendations should be put all together and numbered, so that we might vote on them one by one. To-day the leader of the government said he thought that had been done, but it has not, for two recommendations have been left out. The others have been grouped together so that we may understand them, but the first two recommendations have been omitted. Here we have eight or nine recommendations beginning on page 4, but the two recommendations contained on page 2 are not included. This can be settled very easily by putting at the top of the list of recommendations, or at the bottom —I do not care where they are—the two recommendations which are found on page 2. Is there anything wrong or anything difficult about that?

Mr. RALSTON: My hon. friend does not really mean that seriously, does he, in regard to the suggestion as to members of the groups conferring? Surely he does not mean he wants to have the committee record its opinion about that.

Mr. NEILL: I meant that it did not matter to me whether those two recommendations were at the head of the list or at the end of it.

Mr. RALSTON: But I am talking about the second recommendation. Does the hon. member really mean that he wants this recommendation put before this committee and solemnly passed upon?

Mr. NEILL: If I could stop that recommendation from going through I would stay here for a week or a fortnight. I think it is a thoroughly rotten recommendation, and I want to discuss it and vote it down.

Mr. RALSTON: Then why does the hon. gentleman bother with it?

Mr. NEILL: I want it to be condemned—

Mr. RALSTON: Supposing it should be passed; it would be ineffective.

Mr. NEILL: —because only a short time ago the hon. gentleman himself made the suggestion that we should go on with the proposed amendment to standing order 9, and that when this amendment was adopted it would carry with it the first part of the report. I know he has now receded from that position, but I think *Hansard* will show that he took it a short time ago.

Mr. RALSTON: I really must be a little firm about this. My hon. friend will not find in what I said previously one syllable which could be interpreted in that way, and I have not receded from anything. I took my position in the beginning and I repeat it now, that the discussion can take place when we are considering the amendment to standing order 9, but that all we would vote on would be the amendment, and we can go on from there with the other amendments.

Mr. NEILL: I accept the minister's statement; my opinion was different, but perhaps I was wrong, and I know the minister is a reputable gentleman. But supposing we put that recommendation back alongside the other one; it is only a pious hope thrown up to the government, who can do what they like about it. I do not want any pious resolutions like this put up to anybody; I do not want it to be left so that only parties and groups who are "recognized" in the house may confer. My hon. friends in the far corner will not be recognized. That is a definite thing; and perhaps two or three years from now the ministry

of the day would be perfectly justified in saying, "We are going to put this into effect, because it was one of the recommendations made in writing by this committee." There is no question about that. If the thing is right let us pass it; if it is wrong let us vote it down.

Mr. RALSTON: I say it is just futile.

Mr. NEILL: I say once we get through discussing these amendments of the standing orders the debate will end. If anyone will give me a guarantee that nothing will be done along this line I shall be satisfied. I am not alone in this. I am not in collaboration with anyone else, but I am quite sure I am voicing the wishes of many other hon. members when I say that we want an opportunity to support or turn down these specific things. Why not just include these two recommendations at the bottom of the list, and let us have every opportunity to express ourselves? We do not want to adopt the second recommendation; perchance we may want to adopt the first one, in regard to the estimates.

I am taking up a good deal of the time of the committee and I apologize, but I have not spoken very much this session; I am not able to do so. I do not see why we could not be allowed to follow that course. Someone suggested that we might strike out the word "recommend" and insert the word "suggest". That might meet the difficulty in a way, but in a house of two hundred and forty-five intelligent people it is no use saying that "recommend" means one thing on one page and something different on another page. Now I have said all I am going to say; this discussion will have to go on, but time and history will show that I am right.

Mr. GOLDING: As a member of the special committee I want to endorse what the Speaker has said. The committee did express certain opinions in the preamble, but they did not ask the house to make those opinions into rules. The only things we wanted to change were the standing orders.

Mr. NEILL: You did not say so.

Mr. GOLDING: I hope my hon. friend will let me have a moment in which to say a few words. I am trying to express my opinion, speaking with my knowledge as a member of that committee. While these opinions were expressed, it was not intended that they should become standing orders. If we expressed the opinion that in order to facilitate the business of this house it would be a splendid thing for the different groups to get together, that does not mean that it should be made a rule or anything of the kind; that is only an expression of opinion. I think the matter was put very clearly by the Speaker and by the hon. member for New Westminster. We did give a good deal of attention to the recommendations we made, and hon. members are at liberty to adopt or reject them, as the case may be. Perhaps we were not unanimous in regard to everything, but we were fairly unanimous on the recommendations we have made in regard to amendments of standing orders. As to the opinions expressed in the preamble, however, we did not ask that they be translated into rules of the house, and I think hon. members generally understand that. Surely that point has been explained now; it was dealt with by the acting leader of the government as well.

Mr. MacINNIS: I think we should try to find some way to break this deadlock and get on with our business. I hesitate to disagree with the hon. member for Comox-Alberni, for whose parliamentary acumen and experience I have the greatest regard. But I do insist that he is wrong in his attitude toward this report. As a matter of fact the report is clear, as is also the intention of the committee. It made certain recommendations respecting the standing orders of the house. Those recommendations are definitely stated. Then the committee suggested that other things might be done, but it did not include those as changes or amendments of standing orders. The committee had the same power in regard to those matters as it had in regard to the standing orders for which it seeks amendments.

It would seem that the first recommendation on page 2 has caused much of the discussion. Before that suggestion was made the committee said this:

> Your committee does not think it would be advisable to change the present system—

That is, the present standing order.

> —and it believes that the elasticity of the present rules makes it possible to apply them in new situations from time to time.

This makes it quite clear that the committee did not wish to change the standing order in regard to estimates. Had it wished to do so it would have offered the amendment among the other recommendations found on the following pages. The committee felt, however, that the government in dealing with the business of the house might make certain changes which would facilitate that business and give better satisfaction to hon. members.

The committee has said:

> We, however, desire to submit that considerable time could be saved if the committee of supply sat oftener in the early part of the session.

That deals with the point I have mentioned.

We now come to the suggestion in the next paragraph, found in these words:

> We have recommended a few amendments but we feel that this house cannot go further in regulating its discussions.

Feeling that way, we are not offering any amendments in that regard.

Then the introduction goes on to say:

> In spite of limitations now existing, every resolution and bill is given ample opportunities for debate in committee of the whole, standing and select committees and on the second and third reading; but as the allotment of days, under a special rule, might prevent members from speaking, it should not be ordered under the authority of a standing order.

Consequently the committee is not making that recommendation. But it is suggesting that the government consider facilitating business by holding consultations with leaders of other groups in the house. That is all the committee has done in that connection.

I suggest that we deal with the amendments of the standing order. If any other member wishes to have a standing order in respect of those two suggestions, I believe the rules of the house would allow that the amendments be made. I do believe, however, that it is this sort of futile discussion which brings parliamentary institutions into disrepute.

Mr. McIVOR: I believe if this committee were to meet again it would have another amendment to offer, in view of our having spent two hours on the discussion thus far. However, as I see it, the purpose of the committtee was to bring about a condition whereby the business of the house might be carried on more efficiently.

I have two suggestions to make. Some years ago I presented a petition to a former minister of public works in which we pointed out that some way should be found whereby hon. members occupying seats in far corners of the house would not have to leave their seats and move to other places in the house in order to hear. It is difficult to hear in this chamber. We note that four seats are reserved for the debates reporters. Why would those four seats be set aside in the centre of the chamber, if it were possible to hear with ease?

Why do we come to parliament? Do we not come to listen to and to take part in debates? Unless one has a strong voice, it is impossible for another member in a far corner to hear what is being said. I believe the Minister of Public Works and his staff should find some way to facilitate the hearing of speeches. People in the gallery would like to hear, too—especially those in the press gallery.

Mr. POULIOT: And especially when you speak.

[Mr. MacInnis.]

Mr. McIVOR: This afternoon the leader of the opposition could not be heard by members of the C.C.F. When the matter was called to his attention he had to turn his face away from the Chair, with the result that the Chair could not hear him. Surely this matter should be considered.

I made a suggestion a while ago that the doors should be opened before Mr. Speaker proceeds to open the day's sitting. I believe this would be a good thing, and for this reason: All those who, through courtesy, come to hear the proceedings of the house would see how the sitting is opened. They would see, too, that the House of Commons stands upon a solid foundation. When Mr. Speaker, in a petition from the prayer says, "May Thy Kingdom come", it is clear that members in all parts of the house, through Mr. Speaker, are really pledging themselves to work for the kingdom of heaven to come on earth. Surely the general public should know this. If it is good for a few members of the house to come here and silently worship the Almighty, then I say it would be good for the general public. And it is in keeping with the statement of Him who gave us that prayer, when He said, "Whosoever will may come."

Some have urged that freedom of speech has been curtailed. I fail to understand that position, because I have been able to find lots of opportunity for anything I have had to say. Since I have come to the house I have found no minister, no whip, or anybody else who has attempted to curtail my remarks. I am going to think for myself and vote as I like.

Further, in respect of standing order 9 it is my view that no member should sit in the house and refuse to vote. Why is the member here? Surely he or she should be prepared to take sides, if they have any convictions whatever. Certainly I support that amendment.

Mr. NOSEWORTHY: I shall take only a very few minutes to make my contribution to the confusion which apparently already exists.

Mr. STIRLING: And add a little more.

Mr. NOSEWORTHY: It is clear that this general discussion is precipitated because of the introductory material in the report. Most hon. members feel that by adopting the report they will at the same time approve the suggestions or recommendations made by the committee in that introductory material. I would ask Mr. Chairman to indicate, if he will, just how or when we shall register our approval or disapproval of the introductory part of the report? Shall we by adopting the first amendment at the same time approve the recommendations or suggestions or, when we

have finished with the specific recommendation, shall we then be asked to adopt the report as amended? Is there any place in the procedure where we shall be asked to approve the introductory material in this report? Personally I should like to see that opportunity offered. There are a number of suggestions in the introductory part of the report that in my opinion, if followed by the government, will improve the procedure in the house. Would the Chairman indicate if there will be an opportunity of approving by vote the introductory part of this report?

The CHAIRMAN: The committee is asked to approve the report of the committee for the amendment of the rules of the house. At the present moment we are dealing with the proposed changes and amendments to the rules and proceedings of the House of Commons. That will be the final report as far as the committee of the whole is concerned.

Mr. GRAYDON: I have waited now for nearly two hours for the point to be decided as to what the procedure shall be. I have listened intently to the proceedings so far. If we as a committee are not able to determine the procedure by which we shall attempt to improve the procedure of the house then I say we are in a very bad way indeed. I think the remarks of the hon. member for Vancouver East might properly be emphasized at this time. The public fail to understand proceedings of the kind that have taken place this afternoon in this chamber; such proceedings tend to throw a shadow of disrepute in the minds of some people on the proceedings of this house, and parliament to some extent becomes a bit of a laughing stock to the people who do not understand the general situation as it exists.

As I understand it, we are dealing with a report of a committee. If we depart from that and get into a discussion on a number of items in connection with the report, then I think we are departing from what we should be doing. I suggest that regardless of the discussion this afternoon, we should decide finally to deal with the report as such. Let us go on with the general discussion as I suggested in the first instance. Let us deal with the first part of the report, thereby having an opportunity to deal with the two recommendations which the hon. member for Comox-Alberni suggested. Let us get that out of the way. Surely that is a short-cut to all of this. Let us decide one way or the other about it and then let us go on to the particular items. I find that the introduction is included in the conclusion of the report as well. That shows the extent to which we have gone in completely confusing the whole issue before the committee. I have some things I should like to say in a general way about the matter of house procedure, but I have been unable to do so because the procedure has not yet been determined.

The CHAIRMAN: Perhaps I did not make myself very clear. I have tried to trace a line of conduct in the present discussion. We all realize that this is not a bill. It is something like the war appropriation bill where wide latitude is given. I think I have gathered the consensus of the members of this committee. At the beginning wide latitude was given to the discussion. I have ruled that there is no preamble. We are dealing with a matter that touches on the freedom of parliament and parliamentarians. I thought I should allow the discussion to be fairly general. I agree with the leader of the opposition. I hope we shall now come to the first amendment that is before the committee. Going back to the introduction, there is a schedule to the report. As far as a preamble is concerned, we may call it that or anything else, but I have nothing of that kind before me. Standing order 76 reads as follows:

> In proceedings in committee of the whole house upon bills, the preamble is first postponed, and then every clause considered by the committee in its proper order; the preamble and title to be last considered.

This is not a bill. I must leave it in the hands of the members of the committee of the whole. I thought I should give a lead in the general discussion and then go on to the passing of the proposed amendments.

Mr. BLACK (Yukon): It seems surprising that the members of the house now in committee of the whole should be so much exercised about the introductory remarks that the committee submitted in its report on the amendment to the standing orders and rules. The introduction is headed as a commentary on parliamentary procedure, reviewing in general parliamentary procedure as we have it here in this house and making some suggestions and perhaps unfortunately using the words: "We recommend". The committee did not go so far as to offer any specific amendment of any standing order to carry out a recommendation. It will lie entirely with the house and with the government as to whether they go farther than to adopt or not to adopt the specific amendments of certain standing orders which the committee recommend. There are 121 standing orders governing the house. After a number of meetings of the committee it was decided to offer amendments to only ten of the standing orders. These are the amendments that were offered.

They appear in the report, ten in all. I submit that if these amendments are considered and adopted or defeated, then there is no necessity of adopting the preamble to the report or the introduction to the report. It stands merely as a general representation to the house. It does not profess to bind the house at all. There is no motion before the committee that the report be adopted. As I understand it, the motion now before the committee is that the suggested amendments to standing order 9 be adopted. That is what we are considering. That is what we should do or refuse to do. Having done that, we should then go on to the next one, which is No. 11. The committee may never be called upon to adopt the introduction. There is no reason why they should. It stands merely as a record of the opinion of this committee and the committee does not ask the committee of the whole to deal with it at all. It asks the committee of the whole to deal merely with the specific amendments that have been suggested.

Mr. MACKENZIE (Vancouver Centre): I thoroughly agree with every word said by the hon. member for Yukon. His statements will be confirmed if we look at the terms of reference to this committee which may be found in *Votes and Proceedings* of this house of Tuesday, February 1, 1944. The reference is as follows:

> Mr. Mackenzie King, seconded by Mr. Ilsley, moved,—That a special committee consisting of Messrs. Black (Yukon), Fauteaux, Golding, Hanson (York-Sunbury), Isnor, Mackenzie (Vancouver Centre), MacInnis, McIlraith, Maybank, St. Laurent and Quelch, be appointed to assist Mr. Speaker in revising the standing orders of the house with a view to simplify, accelerate and expedite its business, and to report to the house during the present session.

Therefore the contention of the hon. member for Yukon is absolutely correct. We are concerned only with the terms of the reference which calls for an inquiry into a revision of the standing orders, and that the said committee report to the house during the present session. I suggest to you, Mr. Chairman, with the consent of the committee, that we should now proceed to discuss these revisions in detail.

Mr. POULIOT: The first thing to do is to know what is before us. There has been some conflict of opinion regarding what is called in different ways the expression of the opinion of the members of the committee. I have the *Votes and Proceedings* of February 1 containing the order of reference which states that that committee should be appointed to assist Mr. Speaker in revising the standing orders of the house with a view to simplify, accelerate and expedite the business and to report to the house in the present session. The reason why there was the misunderstanding is not due to what has been said by the hon. members here. It is precisely because the report has to be put in the hands of Mr. Chairman. That is the first mistake. A report that comes from a special committee cannot be amended except by the committee of the whole house itself. That is the way it is done; it cannot be done otherwise, and even if some sheets of paper are not before you, Mr. Chairman, it does not mean that the full report of the special committee is not before you. That is as clear as crystal.

The CHAIRMAN: I have rendered my decision. There is a way of appealing from my decision. I rule this discussion out of order, because there is no preamble before the Chair.

Mr. POULIOT: That is all right, but if there is no preamble there is an introduction which I have in my hand. But leaving that aside, if the first three pages are the basis for the proposed amendments, we must know what they contain, and they contain a series of contradictions and of errors in constitutional law. They contain some errors that a first-year student in constitutional law would detect. Let us see what is the basis of these proposed amendments. The report says:

> Your committee, in the performance of the important duty assigned to it by the house, has taken into account the existence of general criticism of parliament both by members and representative citizens.

That I deny. The second sentence reads:

> It has fully realized that much is expected of the House of Commons where the views of the people are finding expression and where industrial and economic conditions are demanding parliamentary attention and solution.

That is insignificant. It goes on:

> The main question before the committee was whether procedure should be amended so that the house may be able to do more legislative work in the time at its disposal and increase its efficiency as a critical and controlling assembly.

The work that we do here does not depend upon the rules of the house but upon the legislation that is submitted to us by the government. If, for instance, the selective service legislation had been submitted to parliament instead of being passed by order in council it would have been much better and it would have shown a proper deference to parliament, much more than the amendments to the rules now proposed. Again the report says:

> Criticisms of parliament seem to have been inadequately considered in relation to the whole structure of parliament—

Imagine, criticism in regard to the whole structure of parliament!

—the necessary party system and the complex situation created by a war which is now in its fifth year.

Everybody knows that. It goes on:

These criticisms arise from opinions concerning the functions of parliament which are often based upon such misconceptions as the view that parliament is primarily a board of directors with the members of the cabinet as its executive staff, and that members, instead of endeavouring to reconcile as much as possible all the elements of public opinion, which is difficult in our diversified country, should rigidly consider every question on its own exclusive merits.

That is insignificant.

Such, however, is not the true function of a legislative body composed of 245 members elected to discuss the management of public affairs.

Here is what I find wrong in this introduction. I find voices of good and voices of evil. There are some statements in these three pages that are absolutely true and some that are absolutely wrong, and when something is partly good and partly bad, I consider it all bad and I want to get rid of it. That is my point of view. It goes on:

Debates may sometimes be lengthy but they bring home to the administration the advisability or unpopularity of a particular line of policy and they must be heard because democratic government rests upon public opinion.

That is true.

Parliament is the assembly of representatives elected by the people where great issues are debated, or should be debated;—

That again is true.

—it is not primarily a body of auditors charged with the inspection of departmental accounts.

That is false. It is one of the principles of the British North America Act that parliament should have a check on expenditures. It is our duty to look into the expenditures of this country and to have its accounts before us. We are not auditors, but we have that right, which was won after a constitutional fight by our forefathers. Therefore I say that that statement is absolutely false.

Freedom of speech is one of the inalienable privileges of members of the House of Commons.

True.

It is in truth the privilege of their constituents and it is secured to members not for their personal benefit but to enable them to discharge the functions of their office.

The second part of that is true, but the first part of the sentence is partly true and partly false. It says:

It is in truth the privilege of their constituents. . . .

It is not the constituents who sit here. We sit here as the representatives of our constituents, and we have the right to discuss all matters pertaining to their welfare. It goes on:

Without it, the essence of the country's liberty does not exist.

That is true.

The present procedure was devised to reflect the freedom of all the members of the house, but we must realize that in war time parliament is bound to divest itself of some of its prerogatives in order to strengthen the government's power.

That is wrong, and it is in contradiction with the first part which says that the rules are amended to increase the efficiency of parliament. How can anyone reconcile those two statements? On the one hand it says it is to strengthen the power of parliament, and on the other hand it is to give our legal powers to the government. Most absurd, most wrong —total ignorance of parliamentary rights and of the constitution. It goes on:

The principle of majority rule is a constitutional convention upon which all British parliamentary government is built—

True.

—but this must collapse in proportion as the principle of the protection of minorities begins to decay.

What is the meaning of that sentence? It is so foggy, so impossible to understand, that it should be explained. It is most foolish. It goes on:

Rules are not sufficient to preserve freedom of speech and to uphold the dignity of the House of Commons.

I admit it, and for this reason, that practice counts for more than rules.

Standing orders depend for their success upon the prevalence of good will amongst all members who have to work under them.

A member—he was an old member too—once asked me what the standing orders were. I told him they were the rules of the house. He said, "Thank you." He did not even know what they were. The first thing is to read the standing orders and try to understand them. They are not so bad, after all, although they were mutilated a little over fifteen years ago.

Standing orders depend for their success upon the prevalence of good will amongst all members who have to work under them.

That is true, but they depend for their success upon the rulings of the chair, and some of the rulings that were given some years ago were most unjust. I shall not recall them now because they are in the minds of all members. The chairman must know the rules and apply them according to their spirit. That

was not done for some time when another speaker was in the chair and when another chairman was occupying the chair here.

The house must rely on the forbearance of its members and on the general acquiescence in the enforcement by the Speaker of the rule which requires that members should strictly confine themselves to matters immediately pertinent to the subject of debate.

That is true but the rule is there already. What is the use of repeating the same thing? It is useless redundance. It goes on:

In a report presented to the United Kingdom House of Commons in 1931, the following statement appears: "Your committee would urge that unless understanding and a common loyalty prevail there will be a danger of the collapse of the system of representative government . . . if the principles of equality among members, publicity of the house's proceedings. . ."

Publicity of the house's proceedings! How is it that members of the wartime information board go around to the press with scissors, telling them not to publish this and that which hon. members have said? I am not making complaint of the two agencies, the Canadian Press and the British United Press, but there are those who do not want these reports to be published, and who do mutilate them, and it is these very gentlemen who complain afterwards that members are not doing their duty. Let them inform first their readers of what we are doing. Afterwards they will be in a position to criticize what we have done, and their readers will be sufficiently informed to give a fair judgment.

". . . freedom of speech, majority rule, or the right of the minority to an adequate expression of opinion are consciously challenged, there is an indication of some serious defect in the life of the nation. . ."

That is true, sir. If there is no freedom of speech in the house, there is an indication of some serious defect in the life of the nation. It was said in England, but it is just as true here as it is true in England:

"These larger considerations cannot be regulated by rules and orders: they are the responsibility of each member of the house."

They are the responsibility of the Chair, and they are our responsibility, as a body of men who have to maintain our traditional liberties. The report continues:

Your committee, in all its deliberations, has kept in mind the importance of not impairing the rights of minorities.

That is right. I agree with that.

Two fundamental principles govern the procedure of the house. They are, that the government shall, so long as it can maintain a majority, be able to secure such legal powers as it considers necessary for administration, . . .

That is absolutely wrong. Where does the government have legal powers? Anyone can look in the constitution and ascertain that the government has no legal powers; it has only executive powers. It is against this kind of thing in the report that I protest. Why should we abandon our rights to the government? We have rights here. We have the right to check legislation, and to do so at each one of the readings of a bill. Why should we abandon our rights as a parliament? This is the kind of thing in this report which I find absolutely wrong and despicable.

The report goes on to say that it is a fundamental principle—

. . . that minorities, however small, shall be able to criticize that administration.

That is all right, but let us see how it works. In the first place is asserted something which is absolutely false, which is absolutely opposed to the constitution, and in the second place it is commended as giving a chance to the minority. "I give you poison, but it is for your good; it will make you strong. I will kill you, but it is to send you to heaven."

Standing orders must protect them, and it is all the more important that they be founded on right and justice because they are merely resolutions of the house which can be swept away by a majority vote.

"Founded on right and justice"! I do not suppose anybody thinks we can change the constitution.

Your committee is of the firm opinion that these rights cannot be alienated even if the house, in maintaining them, may protract sessions and lay itself open to severe criticism.

In saying that, the committee does well.

The suggestion that estimates should be referred to standing or select committees has been given earnest consideration and carefully reviewed. It strikes at the root of ministerial responsibility and it divests members of the privilege of criticizing from the floor of the house without advice, suggestion or influence of any kind, all departmental expenditures submitted by the government. No proposals subversive of this settled rule of action can be safely embodied in any scheme for securing closer parliamentary control. One of the objections to this proposal is that if all the estimates are referred to a standing or select committee the motion for the Speaker to leave the chair shall be abolished, which means fewer opportunities for private members to move amendments setting forth grievances or expressing want of confidence in the government.

Reading that, one would suppose that everything is done to give hon. members more liberty, more freedom of speech than we have now; yet there come the scissors, "cut the speech, cut the speech, cut the speech," all the time. I think it is hypocrisy to say one thing and do another. Anyone reading the preamble would gain the impression that the object is to give hon. members the fullest and most perfect freedom of speech; yet we

know that members cannot speak here, they cannot speak there; more members must rise in the case of an appeal; but all this is said to be for their own good and for the strengthening of parliamentary institutions, to allow members to say anything they like, and to protect minorities. That is the way it is done. If to sustain charges, more members must rise, it is for the protection of minorities! The number required to appeal from Mr. Speaker's rulings must be twenty instead of five, but it is to protect minorities! And so forth and so on.

One of the objections to this proposal is that if all the estimates are referred to a standing or select committee the motion for the Speaker to leave the chair shall be abolished, which means fewer opportunities for private members to move amendments setting forth grievances or expressing want of confidence in the government. The procedure required to keep this privilege unimpaired would reduce the efficiency of the committee's functions and it would be so involved as to be misunderstood and hard to enforce. Certain estimates may be occasionally referred to a select committee in order to ascertain facts which the house desires to know, but this practice should be adopted guardedly and only in very special circumstances. Your committee does not think it would be advisable to change the present system and it believes that the elasticity of the present rules makes it possible to apply them in new situations from time to time.

Here we have it.

We, however, desire to submit that considerable time could be saved if the committee of supply sat oftener in the early part of the session.

We do not need rules for that. Everything is in the hands of the government. When they want to submit estimates it is up to them to do so. We do not need rules for that, although such a rule would not be any more absurd than standing order 12, paragraph 4:

No member may pass between the chair and the table, nor between the chair and the mace when the mace has been taken off the table by the sergeant-at-arms.

"The chair" is the chair in which Mr. Chairman sits. How can anyone pass between Mr. Chairman's chair and the mace? And there are other things which are unbelievable. Standing order 5 states:

Every member is bound to attend the service of the house, unless leave of absence has been given him by the house.

What hon. member indicates with his fingers that he wishes to obtain the leave of the house to dictate his correspondence or attend a committee? That is a rule of the house which is not observed. What is the good of having rules which will never be observed? They should be stricken off the record; they are obsolete.

To return to the committee's report:

We therefore recommend that, when the yearly estimates have been brought down, one day a week be set aside for consideration of supply. If this is done, the house is not likely to find itself under the necessity of passing a great part of the estimtaes in the dying days of the session.

This is the recommendation which I am precluded from discussing on its merits because it is not supposed to be before Mr. Chairman now, as he told me that he had ruled.

The allotment of a certain number of days for the debates which appear to become protracted was considered Your committee was averse to multiplying rules of this character. There are already several restrictions which have been found necessary for parliamentary work and which are accepted in almost every elected assembly.

Not in England. Are they accepted everywhere except in England? Not everywhere; in only a few dominions.

Mr. RALSTON: I have been out of the chamber for a few minutes. May I inquire if anything happened since I was out whereby the Chairman made a ruling that the suggestions or recommendation contained in what we have called the preamble of the committee's report might not be discussed? I thought the Chairman had indicated that it could be discussed under the amendment of standing order 9.

Mr. POULIOT: He said both.

Mr. RALSTON: I would take the ruling in which he said "yes."

The CHAIRMAN: The ruling I had given was that we have no preamble before the committee at the present time. I assumed it would be very hard to stop hon. members from what might be called a general discussion.

Mr. POULIOT: I will tell the leader of the house that I am reading it so that it may be on record, so that those who see *Hansard* to-morrow will know what we have been discussing and that we have been fighting for the cause of liberty, for freedom of speech. That is what I want. If the hon. gentleman will permit me, I was saying that there is something of a paradox in these pages. The suggestion is being made that the House of Commons should divest itself of its legal powers in favour of the government and against the constitution itself, and I deny that we have the right to do that. That is the suggestion that is twice repeated in these incredible pages. I continue:

We have recommended a few amendments but we feel that this house cannot go further in regulating its discussions. In spite of limitations now existing, every resolution and bill is

given ample opportunities for debate in committee of the whole, standing and select committees and on the second and third readings; but as the allotment of days, under a special rule, might prevent members from speaking, it should not be ordered under the authority of a standing order.

It is just to give an opportunity to members to speak; it is not to prevent them from being able to speak that their speeches are curtailed. Most incredible!

Your committee is not prepared to recommend such an innovation in our procedure which must be adapted to our own conditions and be thoroughly Canadian.

Here it is, "Canadian". If it were truly Canadian it would be better.

Our recommendation is that, when there is reason to believe that debate will be protracted, parties and groups recognized in the house shall confer and make arrangements either for allotting days or laying any plan for saving time whilst protecting freedom of speech for every representative of the people who sits in this house.

Once again the voices of good and evil. These gentlemen will meet together in the most undemocratic fashion and decide that private members have not the right to speak.

Mr. GOLDING: They do it.

Mr. POULIOT: They may do it but it is a shame that it is done.

Mr. GOLDING: They do it now.

Mr. POULIOT: I know they do, but I have always protested against it. I do not see why any member who is the leader of a group should have any more rights than a private member who is a back-bencher. That is my point. In the house we are all equals. The Prime Minister said so in 1926. He said he was the first among equals, and he said something to that effect not long ago. It is not disrespect for any one to point this out. If anyone sits here he does so in his capacity as a member of the House of Commons. If someone is elected grand commander of the illustrious and noble order of such-and-such, that does not give him any right to sit in the House of Commons. He sits here because he is a member of parliament, and all members of parliament have the same rights. I do not see, therefore, how any men belonging to any party or group may join together to prevent any member from saying what he has a right to say. It is most undemocratic, most despotic, most dictatorial.

Your committee did not think it advisable to take up at this time the question of the alleged suppression of initiative on the part of the private member.

[Mr. Pouliot.]

Here again is the voice of good.

As the nation has been at war for over four years—

It was supposed to be five years, here it is only four years. The more we read, the less we are at war.

—and government business has been given precedence over private members' motions and bills, this is not the proper session to consider that part of our procedure.

I do not insist.

Conditions prevailing in war time are such that private members notices of motions and private bills must give way to war measures.

I am willing to agree to that.

The order of business followed since 1940 has been based on resolutions which practically abolish private members' days. It is an exceptional situation and perhaps the house had better wait until normal conditions return before the private member's place in the house can be considered.

I believe that the private member's place in the house must be considered in all discussions of public affairs, and if for the duration of the war we give precedence to government business I do not see why the rights of private members should be curtailed in debate.

Rules of practice are necessary in the House of Commons as well as in any court of justice and other public institutions, but the multiplicity of standing orders dealing with the basic principles of parliamentary procedure ought not to be encouraged.

That is why I am against having new rules. I find this statement very timely. We should not have more rules. I am against new rules. Here we have something good and something bad, something bad and something good—it is like an orange. Take an orange, part of which is rotten; will you eat it? No; you will throw it away. The orange that I hold in my hand has something good in it, but most of it is bad, and that is why I want to throw it into the waste-paper basket, as I did the famous Purvis report on unemployment. To continue:

There were no standing orders relating to public business in the United Kingdom House of Commons until 1707, and there were only three from 1715 to 1821—over a century. There are ninety-five to-day. We have 81, besides 10 dealing with the staff and 28 governing the library of parliament. Your committee is aware that members of this house are reluctant to impose restrictions on their freedom and independence, and that any attempt to translate procedure into precise rules will deprive them of the very quality which render them adaptable to new and varying conditions, or unusual combinations of circumstances, and might have the effect of restricting rather than safeguarding their privileges.

Amen. Then there is another paragraph. It was said that members had been asked to express views about the matter. That is the

part I object to because it leaves those who read it under a false impression, that the purpose of these regulations is to give more latitude to the members when, in fact, as I understand it, it deprives them of all rights they have now. The leader of the opposition has to defend his own move, because he himself suggested changing the rules. He did not know what he was speaking about when he mentioned a certain matter to the house, and I told him that the first thing to do in connection with the public accounts committee was to lay a charge and ask for a sitting of the committee on a specified charge. And then he went on with it. It has become a Bracken slogan, that we must reform the rules of the house. Was it not his intention to depreciate members to your right, Mr. Chairman, so that they could be easily defeated at the next election? To me, it was a political move. That was the intention, to depreciate the majority of the house in order to have an easy success at the next election. And then we went on. Who had a diary to get in touch with editors at various intervals? It is time enough to write another article to remind the Prime Minister and the cabinet that the rules of the house should be changed. We had certain views periodically expressed by the man with a diary. He must have had connections in Montreal and Ottawa, in Toronto and in Winnipeg, and perhaps in the press gallery. When will he write another editorial about the change in the rules of the house.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. McNEVIN: Mr. Chairman, throughout the afternoon session we were dealing with the proposed amendments to the standing orders, but to my mind we made very little progress. I agree with the point of view expressed by the hon. member for Yukon, a former Speaker of this house, and supported by the hon. member for Vancouver Centre. I view the first three pages of this report as explanatory notes outlining the opinions of the committee upon certain aspects of the rules governing the procedure of this house, and even if the whole report should be adopted I cannot see that what is contained in these three pages would in any way amend any of the standing orders.

Throughout the discussion it has appeared to me that the emphasis has been placed upon the necessity of protecting the rights and privileges of private members of parliament. I would be the last to support any suggestion which I thought might violate the rights or the independence of hon. members, but I do think that in this chamber we should not overlook the fact that if we are to maintain that high prestige which should be maintained with respect to free, democratic parliaments, we must keep in mind the necessity of so regulating the business of parliament as to expedite the important and essential matters which come up for consideration. In this discussion I think too little emphasis has been placed upon that important feature. I am not unmindful of the fact that in many countries democratic parliaments have disappeared as a means of government; nor am I unmindful of the fact that what has been substituted for those democratic institutions has eliminated to a very large extent not only the independence of elected representatives of the people but also the rights of individual citizens. Something has been said with respect to free speech. I believe the parliament at Westminster is the citadel of freedom of speech; and that brings me to a thought which is expressed at the bottom of page 2 of this report, in these words:

> Our recommendation is that, when there is reason to believe that debate will be protracted, parties and groups recognized in the house shall confer and make arrangements either for allotting days or laying any plan for saving time whilst protecting freedom of speech for every representative of the people who sits in this house.

As far as I am concerned, as I said in a debate last year, the parliament at Westminster adopted the principle of the allocation of time as applied to the consideration of bills, estimates and other business of the house. I have not altered my opinion; I am still in favour of the adoption by this house of the principle of the allocation of time, but after fully considering the matter the committee decided that this was not an oportune time to recommend to the house the amendment of our standing orders to bring that regulation into effect. I am quite prepared to go on and discuss these other amendments and not press that matter at the moment, but I want to make one point clear. I am quite sure that the adoption of the principle of the allocation of time by the parliament at Westminster has neither violated nor destroyed freedom of speech in that citadel, where the importance of freedom of speech is considered as great as in any other part of the globe. In view of the fact that they adopted that principle as far back as the early eighteen-eighties, I am sure we might well give consideration to following their example. In the meantime, I do not

see why we could not dispense with this endless discussion on the foreword, and get down to the discussion of the amendments to the standing orders as they are listed in this report beginning with standing order 9 on page 4.

Mr. RAYMOND: I wish to register my protest against the proposed amendment to standing order 9, which reads:

> And every member present in the chamber when the question is finally put by Mr. Speaker shall be obliged to vote, and if he does not vote Mr. Speaker shall call upon him to vote and his name shall be recorded accordingly. If he persists in not voting he may be named by Mr. Speaker for having violated a standing order of the house.

What is the purpose of this amendment? When the Prime Minister moved the resolution setting up the committee he expressed himself in these words:

> That a special committee . . . be appointed to assist Mr. Speaker in revising the standing orders of the house with a view to simplify, accelerate and expedite its business, and to report to the house during the present session.

Can anyone tell me how this amendment will help to simplify, accelerate and expedite the business of the house? This was the purpose of the appointment of the committee. The first amendment is to oblige a man sitting in the house to register his vote. I do not see any reason to support any such amendment. In the *Votes and Proceedings* of March 3, there were some explanatory notes as to the amendments. It is said that the practice for many years was that a member who remained seated during a division was often required by Mr. Speaker to declare on which side he voted. I have sat in the house since 1925, and my recollection is clear with respect to 1931, in which year on the occasion of a vote a few members remained seated in the house, and did not register their votes. In that year Mr. Speaker did not render a decision; as a matter of fact he refused to intervene.

Then on April 28, 1931, Mr. Bourassa moved a motion, seconded by the hon. member for Comox-Alberni (Mr. Neill) that the standing orders of the house be amended by inserting the direction that upon a division a member is not obliged to vote. As a matter of fact, later on a committee was appointed, on the initiative of the then Prime Minister, Mr. Bennett. A special committee was set up to consider amendments to the standing orders of the house governing procedure to be followed in taking a division. I do not know that any report was made. But that was the only occasion I recall when members were challenged to register their votes.

[Mr. McNevin.]

In the explanatory notes to which I referred a moment ago it is pointed out that in 1906, in the United Kingdom house, a standing order was passed relieving members of the obligation to vote. Certainly the practice in the United Kingdom cannot be held out as an argument in favour of this amendment, because over there members are not obliged to vote, or register their votes. I am trying to find a single reason which might lead me to support the amendment. In the preamble —some call it a preamble, while others say it is not a preamble—there is reference to freedom of members. Well, when a member is entitled to sit in the house he is entitled to his seat all the time deliberations of the house are in progress. He is entitled either to listen or not to listen to the debates. Some members may read their newspapers—as they are now doing. No one objects to their doing so. They can participate in the debate, or refrain from doing so, and no one will object. They are at liberty to do as they wish in that regard. When a division is taken, should a member be obliged to register his vote for or against a motion?

There are many inconveniences connected with a rule of that kind. For instance, with respect to the speech from the throne at the present session we know there was a main motion, an amendment and a subamendment. Members were called upon to register their votes on that division. If an hon. member did not want to vote on the subamendment, he could not have stayed in the house. He would have had to leave. What would have happened? Mr. Speaker read the main motion, the amendment and the subamendment, and then said that we would vote on the subamendment. As soon as the vote was taken on the subamendment, the amendment was voted on, without reading the amendment again or, in fact without reading anything, and without ringing the house bells. If a member did not want to vote on the subamendment, but wanted to vote on the amendment, he could not have registered his vote. He would have been outside the house, and would not have known when to come in. Surely that is an inconvenience.

Sometimes a member may agree with part of a motion, and disagree with part of it. If he votes for the motion, then he is registering his approval of everything contained in it. On the other hand, if he votes against it, he is registering his disapproval of the whole motion. The only alternative is to abstain from voting. Possibly that is why in England they have passed the standing order to which I referred a moment ago by which members

were relieved of the obligation to vote and, if they wished, could remain at their seats.

I shall not detain the committee longer. My submission is that the committee was not appointed to propose such an amendment as this, that there are no arguments which could be offered in favour of it, and that on the other hand there are many which could be urged against it.

Mr. REID: Mr. Chairman, the subject we are discussing is the amendment to standing order 9. If it were not for the fact that the amendment may come to a vote, and no amendment to the amendment is permitted, I would be inclined to move an amendment to proposed new standing order. I say that because, first of all I am opposed to compelling a member to vote. I can see no good reason why a member of the House of Commons cannot sit in his place and, if he feels he should not vote, be permitted to remain seated, without being forced to leave the chamber. If the matter is to be cleared up so that a member can do so, then I think some note should be taken of citation 69 of Beauchesne's Parliamentary Rules and Forms, second edition. And, by the way, referring to voting in the House of Commons may I point out that there are some twenty-two citations dealing with standing order 9. However, citation 69 at page 25 reads:

> 69. Under ancient custom, refusal to vote was considered a serious parliamentary offence, but the practice was changed in 1906 by the British House adopting a standing order whereby a member is not obliged to vote. That standing order does not apply to the Canadian Commons. The practice has not been changed in Canada where every member who has heard the question put is bound to vote.

So that, if we want to clarify it, that is if it is the unanimous opinion of the committee that a member should be allowed to remain seated in the House of Commons and not be compelled to leave, as is the custom in other parliaments, then I suggest that citation 69 be looked up. Apparently there is still doubt in the minds of the Speaker and other hon. members as to whether a member should be compelled to register his vote.

I remember I think it was 1931, when Henri Bourassa was nearly named by the Speaker. The Speaker of that date, the hon. member for Yukon (Mr. Black), called upon Mr. Bourassa to say which way he intended to vote. For about half an hour things were very tense in the house, as I might tell hon. members who were not there at that time, because the Speaker was about to name him, upon which he would be supposedly sent to the tower but actually, I suppose, it would have been to the Chateau Laurier, where he would have been well looked after. Under the rules he could have been named by the Speaker and, if named, he would have been escorted from the chamber. After some argument the request was withdrawn, but that provision is still in our rules. To my mind it should be completely clarified.

I am against forcing an hon. member to say whether he will vote. When a vote is taken our names appear on *Hansard* as a record for the people of our constituencies and the rest of the country to see. If an hon. member does not vote, his name is not there. We have the protection of *Hansard* to show whether an hon. member voted. Personally I cannot see why an hon. member should be compelled to leave the chamber if he is not going to vote. I am against compulsion, and if it were necessary to do so I would be prepared to move an amendment to the new standing order as proposed by the special committee. I am hoping that the matter will be put up to the committee and a standing vote taken, either for or against it, but I did want to register my protest.

Mr. GRAYDON: Mr. Chairman, I had intended to make some extended observations with respect to the general aspects of the report of this committee, but since much of the ground has been covered by those who have spoken I shall confine myself to three or four matters which I think are germane to the subject under discussion. In his first speech in connection with this matter His Honour the Speaker referred to the fact that no suggestions had been offered in writing to the committee by members of the house, nor had they accepted the invitation sent out by the committee to present suggestions as to the changing of the rules. I think many hon. members feel as I do, that if a formal invitation to present verbal suggestions to the committee had been given it would have been more acceptable. I believe that would have brought forth many suggestions. I only say this because His Honour the Speaker made some mention of it. It is one thing to put suggestions in writing and quite another thing, and I am sure much more valuable, to go to a committee and give suggestions or evidence as may be required.

One matter that has been dealt with very lightly is the question of reading speeches in the house. I do not intend to dwell too much on this because I am free to admit that I would rather hear read a well prepared speech than I would to listen to a poorly delivered speech, even though it may actually be a better one. There is sometimes an advantage in having remarks put in a condensed form and read. However, my remarks must

not be taken as an endorsation of the reading of speeches in this house. Frankly I think it ought to be discouraged. Debate in the House of Commons is of most use to the people and to the house when it comes freely from the representatives of the people.

I remember one experienced parliamentarian who is no longer in the house but who continues to follow the debates very carefully and studiously. He told me that he never reads the debates which occur while Mr. Speaker is in the chair because he never knew from reading *Hansard* whether they had been read, whether they had been prepared by the member himself or whether they represented a thesis or some philosophical utterance which was being placed upon *Hansard*. He read only what occurred in the committee stage of a bill or a resolution. It seemed to him that that is when the best debate occurs. If I may say so, it is at that time that we hear from hon. members what they would be likely to say in normal conversation. I have listened to some experienced debaters, and I notice that except on rare occasions when a statement has to be letter perfect they do not read their speeches. We offer a poor example to have speeches read in the house, and it should be avoided if possible. However, like everything else I do not suppose any hard-and-fast rule can be followed and I repeat the reservation which I made at the beginning of my remarks.

There is one more matter I should like to bring to the attention of the committee. I think most hon. members have come to the conclusion that there is something wrong in the division of a private member's time. The average elector fails to realize the amount of work a conscientious, industrious and hard-working private member of parliament has to do. I have been a private member myself, and I still am classed in that category. I have found, and I think most private members have found, that the mornings are largely taken up with correspondence, interviews and taking care of various odds and ends. This constitutes one of the most tedious and perhaps hardest tasks a member has to do. If an hon. member takes an active part in committees, he must attend committee meetings during the mornings and perhaps in the afternoons as well. Then he has the afternoon and evening sessions of the house to attend.

I should like to make a suggestion, although I am not sure that it can be properly accepted. However, unless we have suggestions we shall not be able to arrive at definite conclusions. When the days of war stress have passed, when the cabinet and the government have more time at their disposal to devote to ordinary matters, the time of a private member should be worked out on a different basis. I hasten to point out that this is not a war-time recommendation; it is one for the more normal and perhaps more leisurely days which we hope will come with peace. I think the private member ought to have his mornings free from parliamentary duties in this chamber or in committee. The afternoon sittings of the house might perhaps begin at an earlier hour and extend a little later than six o'clock. Perhaps a six-hour sitting could be arranged without much dislocation by starting a little earlier and ending later in the afternoon, leaving the evenings free for private members to do their committee work. That might establish a better balance for the ordinary private member of the house, because there is no doubt that the average private member, if he is a busy member, has an overlapping and duplication of his duties from time to time from which he should have some relief so far as the rules of the house will permit. I hasten to point out again that I am not proposing this as a solution of the problem but simply throwing out the suggestion in the hope that its advantages and disadvantages might be considered.

It is difficult to arbitrarily restrict members of the house in their speaking time, but from my own brief experience in the house, while I have perhaps never made any very effective speeches in the house, as most hon. members will agree, I do say, open confession being good for the soul, that the most effective speech I have ever delivered in the house as a private member, if this may be used as a yardstick at all, is one that I made on a budget debate when I spoke for only two and a half minutes. At all events I am proudest of that speech as I stand here to-night.

It is all very well to say that parliament must be shorn of much of its debating rights, but we must use caution in this matter because the interests of the constituencies which private members represent must be safeguarded, and when their interests are at stake there should not, of course, be any undue curtailment of speeches by their representatives. Parliament is often spoken of as being the safety-valve of the nation. While I object to long speeches and to repetition, and I think we all must share guilt in that respect, let us not forget that it is better for discussion to take place in the House of Commons than in the cellars of the nation, for where there is a damming up of free expression, there is no safety-valve and an explosion may take place. That is a matter which may properly be of concern to the house.

There is a germ of assistance in the suggestion that has been advanced that there should be a better organization of our debates which would assist in forming a more favourable public opinion, and public opinion, of course, is of great consequence to this chamber at all times. It is important that we should keep the prestige of this chamber as high as possible, also our standards of debate. There have been times, I believe, when the public feels that this chamber has taken too much time in debating subjects which have not seemingly been of as great interest to the public at large.

Another great difficulty, so far as the public is concerned, is that during the war so much legislation has been taken out of the hands of the legislative chamber and passed through administrative orders and orders in council. That has been dealt with before, and I have no desire to enlarge upon it to-night except to say that since the War Measures Act was put into operation there have been many times and are times and perhaps will be times again when the government has mistaken the urgency of the situation and resorted to that method of legislating, as witness the 42,000 orders in council passed by this government. I want to protest against that method except in cases where the emergency is of the urgent character contemplated by the War Measures Act itself.

Coming to the proposed amendment to standing order 9, I find myself very much in agreement with the opinions expressed to-night by the hon. member for New Westminster. It seems to me that we should not compel a member to cast his vote in a division in this house. There are two reasons for that which will at once occur to every hon. member. I am not going to go into the pros and cons of compulsory voting throughout the country, but so long as we have not yet adopted compulsory voting for the electors, and so long as we do not compel a voter, once he gets into the polling booth, to cast his vote for any particular candidate—he may spoil his ballot or not mark it at all—we have no right to apply a different set of rules to the representatives of those electors in this House of Commons. I just say that by way of emphasizing the argument so well advanced by the hon. member for New Westminster to-night. I take my stand against compelling members to vote in this house.

The procedure of the house in dealing with estimates is dealt with in the general introduction to the committee's report, and I am in agreement with what it says as to estimates. I think it would tend to get away from ministerial responsibility to take consideration of the estimates away from the committee of the whole and assign that work to a smaller committee. It may be argued that it would save time, but I am doubtful of that. It might even increase the time which would be taken up in debate in this house. I do not think the suggestion is feasible and I suggest that the committee was right in opposing it. I have dealt with these matters briefly because there are a number of other matters which will have to be discussed as we reach the various proposed amendments to standing orders. Anything further I have to say I shall defer until the other amendments are before us.

Mr. McGARRY: I am at a loss to know whether I am out in the wilderness. I do not know whether I shall be in order in making a few remarks with regard to the principles of this report; but my understanding was that the amendment to standing order 9 has been introduced and that a free discussion may be had on that amendment.

As a member of the special committee, and, may I say, having had some experience in serving on committees, I never knew of a committee where there was such unified intent on the part of the members to carry out the purpose for which it was constituted. I firmly believe that, but for our persistent adherence to the principle which we believed we were required to follow, that of expediting the work of the house and at the same time preserving the rights of minority groups, more recommendations would have appeared in the report. Yet I believe, in spite of restrictions on that account, the committee has made recommendations which will expedite the work of this house, and that no minority group will suffer thereby.

While we were unanimous on the principle of the recommendations which we submitted, there were some differences with regard to certain of the items. I do not mind confessing that when the matter of curtailing the time for speeches was before the committee, I advocated that instead of forty minutes being the duration of the time for speech making, it be reduced to thirty minutes. Possibly I was not alone in this respect. I advanced this change on account of an opinion which I hold in this regard that, apart from ministers of the crown or others who possibly would not be reckoned as back-benchers, we can say in thirty minutes all the worth-while things on any subject. I have been a listener-in so often, in this chamber and out of it, to men who made excellent speeches so long as they stopped at thirty minutes, but spent ten more minutes—

Mr. GRANT: Spoiling it.

Mr. McGARRY: —spoiling it, yes, not adding any force to it, their rhetoric no more eloquent and their logic no more convincing than if they had stopped at the end of half an hour.

An hon. MEMBER: They did not stop when they were through.

Mr. McGARRY: Usually we fellows who do not speak very often are in the category of listeners. I can tell the committee this, if you listen for thirty minutes to any man who is probably not an artist in an oratorical sense, when a member of the house is a silent listener for thirty minutes, I cannot help thinking some compassion should be rendered him, and that a period of thirty minutes is about as large an oracular contribution as even a member of parliament should be expected to make. However, that is only my opinion. I took issue with the committee on that point, and possibly I had a few supporters. I still hold that opinion. But as for the principle of the recommendations which we submitted, I am absolutely in accord, and when the time comes to show that, either by vote or otherwise, I shall be pleased to support the recommendations.

Mr. POULIOT: In listening to the able speeches which have been delivered by hon. members, I have noticed a contradiction in the speech of the leader of the opposition. He said in the first place that the free expression of views in this chamber was a safety-valve, but afterwards he spoke of wasted time. This is contradictory. He may feel that the speech of a fellow member is a waste of time, and have a different opinion about his own. That is human; I do not blame him for that. The retort which comes from any hon. member when one asks the specific question, "What is wasted time?" is, "Your own speeches". Then everybody will laugh, and there will be an end of it; it will be regarded as a conclusive retort by many parliamentarians to the fellow who is caught in that trap because he spoke too much. It is a very easy answer: "Did you do it?" "No, I did not do it; you are the one that did it." Laughter, cheers, applause. Most conclusive, very weighty. But one should be more specific than that. The leader of the opposition must say what he means by "wasted time". He was the first who spoke about it; whenever he speaks, or one of his party speaks, that is not wasted time, but time usefully spent for the good of the nation; but if another hon. member disagrees with them, he speaks too much; he is wasting time and his speeches cost so much to the Canadian poeple. That is the first point.

[Mr. McGarry.]

The second thing I noticed in his short speech is what he said in pressing the adoption of the amendments to the rules of the house. He rose very often to insist upon the Prime Minister so amending the rules that there should be no waste of time, and what does he propose to us? He proposes a brain diet for parliament after the war. It is a post-war programme which he gives us. In the morning, no sittings of parliament, no sittings of committees; in the afternoon, another little diet; at night, another little diet. Three diets, one for correspondence, one for committees, one for sittings of the house, and it will be for appreciation after the war. It is not necessary now, and if it is not necessary now let us drop it, finish it and take up something else. If the hon. gentleman does not hold the view that it is important to amend at this time the rules of the house, let us finish it right now by dropping it in the waste-paper basket, the place where it belongs. It is the kind of thing which the Canadian people should not have to listen to. Speaking here on behalf even of members of the Tory party who do not recognize the importance of the matter and do not realize that when the election comes there will be hecklers in their own counties who will ask them to report on what has been done by their leaders themselves about this most important question, the defence of parliamentary liberties, I would ask them, what will they have to answer? Poison is given them by speeches like that of the leader of the opposition. He has depreciated the work of parliament; he has spoken of wasted time. I remember wasted time when Arthur Meighen was leader of the opposition; wasted time—lots of it—when Bennett the humbug was Prime Minister of Canada; wasted time when all the other gentlemen whom I have known, so many of those who have led the Tory party, one after the other, in the house, wasted time; when the hon. member for York-Sunbury was making speeches which lasted for hours; when there was a marathon of speeches all the time between the Prime Minister and the leader of the opposition. And if it was wasted time for the Prime Minister to speak for hours, it was even more a waste of time for the then leader of the opposition to speak for hours.

The present leader of the opposition tells us that on one occasion he spoke for two and a half minutes and that he did not waste time. Well, wasting time is a relative matter. One could waste time speaking for one minute, and even half a minute might be a waste of time. It would be a waste of time on the part of the present leader of the opposition, because

the best speech he could make would be a wink—say it with flowers. The hon. gentleman is a most likable man. In fact, he is the first one I have seen in that seat, in the twenty years that I have been a member of parliament, who could be said to be a likable man. That is why he has not been chosen leader of his party. That is the reason. The reason is an obvious one; they always choose the wrong man. They did so the last time, and when they select a leader they have the next one in mind. They are untruthful when they select the leader of the party.

I am discussing what the hon. member has referred to as waste of time, and when we come to this very important matter I want hon. members to realize exactly how important it is. I was greatly offended and shocked when I heard the hon. gentleman say, "We will come to more important matters afterwards." It may be more important to him to discuss trivial matters such as garbage and recuperation, but he must know that there are spiritual values and certain rights that count for much more than an ash-can even if it is kept in a million-dollar building. That is why I call the attention of the members of the opposition to the importance of spiritual values which are a legacy to us from our forefathers and which were worth fighting for, and it is for that reason that to-day I protest most energetically and emphatically against the first three pages of this pronunciamento, in which every sentence swears at the sentence following. It is something most incredible. It is not hash; it is not a stew; it is what we call in French *gâchis*—something incredible, an incredible mess. We are to stand for it because it is supposed to be the basis of the amendments that appear on that paper.

I do not believe that members of parliament will support it. It is beyond my expectation. I might have expected the worst, but I did not expect this. It is worse than the worst. Those who will come after us, whether we are successful or not; those who have been opposing this matter from the start, the hon. member for Comox-Alberni (Mr. Neill), the hon. member for Gaspé (Mr. Roy), and some others who have opposed it on basic grounds, will deserve the gratitude of future members of parliament.

Not long ago the Prime Minister said something that gives us food for thought. It is food for thought for many members of parliament. He said that after the next election there will be great changes in the House of Commons. Did he mean by that that the members who were supporting these amendments were putting a rope round their necks? I do not know, but I presume the Prime Minister is clever enough to have meant that when he made that statement in this chamber. I do not see, therefore, why we should have to carry the burden of these contradictory and unacceptable statements, like the Volga boatman, during the whole term of our parliamentary life.

It is time to get down to brass tacks and to realize that when a member makes a speech that is not satisfactory to some other member he exercises the right that is his and the right which that other himself can exercise at any time, and therefore what is being said by a handful of members, who, I hope, represent the opinion of the majority of their colleagues, is that these three pages should be censored by the committee, that they should disappear from the official publication, and the other amendments be considered in turn. In my view, the thing has to be done for the safeguarding of our parliamentary institutions, for the safeguarding of our liberties, and when during the next elections, whenever they come, anyone who has supported official statements of this kind, when addressing the people, need not be surprised if he or she is heckled. Such persons will get only what they deserve because, if our rights are not safeguarded, if the charter of our parliamentary liberties is changed, they will have no reason to complain should they encounter any trouble in addressing audiences outside parliament.

This is my last appeal. I hope that the committee will consider the matter carefully. Someone says, "Oh, oh". That hon. member who says "oh, oh," will be defeated by a huge majority at the next election. He had better look around him at the lights in the chamber; he had better look at the carving of the moose around the ladies' gallery, because it will be the last time he will see these sights, and I will give him a picture of the House of Commons to put in his living-room so that he may remember the days when he was a member of parliament and when he said "oh, oh", when I was discussing a serious matter.

Mr. NEILL: Before dealing with the immediate amendment to the standing order in question I want to take the privilege granted by the leader of the house, and taken advantage of by several members of the committee, in order to consider for a moment that portion of the report which has been variously described as a running commentary, a prelude, an introduction and by several other names, but never really identified in all its nakedness. I wish to mention one or two things, but I do not want to be charged with holding up the committee. There are two points I should like to bring to the attention of the committee in this regard, and one is

in connection with the reading of speeches, a question touched on by the leader of the opposition. If this house really wants to expedite its business it should have put that proposal at the very top of the list as an instruction, that there should be no speeches read in this House of Commons. The reading of speeches is the cause of more delay than anything else, but personally I share the view of the leader of the opposition; I would rather listen to a well read speech than a badly delivered one. Because a man reads his speech it does not follow that it has been prepared by some sinister hand outside the house; not at all. There are very able men who can express themselves well in writing, if given time, but who cannot do so spontaneously, and who cannot learn their speeches by heart. Personally I would be in favour of letting them read their speeches, but for one thing; that is, I always object to lending myself to the doing of anything that is made into a farce, and this prohibition against the reading of speeches in this house is absolutely a farce. No genuine attempt is made to enforce it. I am not saying anything against the present Speaker or the present Chairman; I have been here for many years, and it was always the same. The Speaker hesitates to call a man to order, and if he does so the man simply says, "No, Mr. Speaker, I am only adhering somewhat closely to my notes."

Mr. HANSON (Skeena): Then why not let him hand in the speech to *Hansard* without reading it?

Mr. NEILL: Some men, of course, have good eyesight and can do what I cannot; that is, read their speeches at a distance. I have only notes, and I must look at them closely, but I have seen men give the impression that they were delivering a speech with the aid of but very few notes, while actually they were reading every word of it. Quite inadvertently the other evening I happened to pass behind one of these hon. gentlemen; I looked down at his desk and saw that he had the whole thing written out, even to commas, semicolons, subheads and so on. While listening to him I had the impression that he was not reading his speech, because he did not need to look at it too often, but actually he was reading every word. So that if we are really sincere in wanting to save the time of the house, let us enforce that rule. No one is trying to enforce it now, but if the rule is retained it should be enforced.

I wished to refer to one other matter which should engage the attention of this house and which should have been dealt with by the special committee, which steered clear of it entirely. That is, they should have brought in, and we should pass here to-night, an amendment providing that the defeat of the government on a petty matter shall not mean its resignation. An adverse vote on a small amendment to some bill, for instance, should not be regarded as a defeat of the government. While perhaps comparatively few hon. members would admit it, I am sure that on many occasions they would have voted differently if it had not been for that custom. A loyal supporter of a party does not like to vote against it; when the whip comes along and tells him that the government will have to resign if they are defeated on some small matter, which will mean an election, he says, "Well, boys, I did not like that bill but I could not face an election just now." Because of appeals to his loyalty to his party many a man must vote in a way he would never dream of voting if it were left to his own conscience. Why should that be the case? It was never so in the old days. I recall that in the legislature at Victoria a party came in with a very slim majority; if one member went out to have a drink or to get his hair cut, the government might be defeated before he came back. The government, very sensibly, said, "We are going back to the custom of fifty years ago; we are not going to regard an adverse vote in this house as a vote of want of confidence unless it is on a resolution which contains those precise words." That is the proper way to do it. Let the opposition, if they feel strong enough, move that the house no longer has confidence in the government; that is the way to defeat it. Many years ago, when I was quite a young man, it was the custom in Britain—I do not know what it was here—that a government would never resign because they were defeated in the country. They always met the house, even though they knew they were hopelessly in the minority. Then the leader of the opposition would rise and make a motion of want of confidence; it would pass, the government would be formally and officially defeated and would resign.

Now the custom has grown up, though not supported by any rule of law so far as I know, that when a government is defeated at an election it packs its bags and steps out. Whether or not that custom should be adhered to is not so important; the important thing is that no hon. member should be compelled by a sense of loyalty or for any other reason to vote against his own conscience, because it might mean the defeat of the government. There is no reason why a provision such as I have suggested should not be adopted. I am quite certain it would make for better government, because I have seen things pass in this house that never would have passed if they

had been left to open votes. I do not know why on earth the committee did not deal with this most important question.

I now come back to the amendment we are supposed to be discussing; that is, the amendment which proposes to compel every hon. member who is in his place to vote, whether or not he knows what he is voting about. The hon. member for Beauharnois-Laprairie made a point this evening with which I had not dealt. He said that the alternative to voting would be for a man to go outside the chamber before the vote took place. I could not hear the hon. member very clearly, but I take it he was referring to an instance which occurred only a few weeks ago, when we took votes on several amendments to the main motion. One vote was taken, then another, and finally the last vote was taken without ringing the bell at all, and without giving anyone outside an opportunity to come in. In that instance a rank injustice might have been perpetrated. A few months ago I sat here during a division and did not vote. To tell the truth I have forgotten what was the occasion, but I was quite decided that neither party had a good case, and I did not see why I should express sympathy with either side. I felt they were both playing politics and that there was no need for me to endorse the one side or the other.

What was the purpose in mind in setting up this committee? It was "to simplify, accelerate and expedite the business of the house." I do not know why it was necessary to put in the two words; either "expedite" or "accelerate" would have been sufficient, but that was what the committee was appointed for; that was what we call the reference, what we told them to do. How are we to expedite the business of the house by adopting this amendment? We have been told that this is an urgent matter, that the public demand it, but that is all bunk. No one is demanding it; no one is outspoken about it. It is some thirteen years since this matter has been brought up, and there has never been any trouble about it. Not since 1906, which is thirty-eight years ago, has the British parliament, to which we look for guidance in cases of this kind, forced anyone to vote whether or not he wanted to do so. Surely, as some hon. members have said, we can leave it to the honour of a member, and to his constituents. The constituents do keep note of how their members vote, and they would be quick to ask, "Why didn't you vote this way or the other?"

Then a man might have private reasons for not voting. I believe there is a rule of the house, though I have not had time to look it up, which says that a man may not vote if his private, pecuniary interests are involved. For instance, he should not vote on a bill to give a franchise to some company in which he had a financial interest. The house does not always know a man's private affairs. He might have a perfectly proper pecuniary interest in a company and his sense of honour would lead him to abstain from voting. Then he would be compelled to stand up and be pilloried. He would be asked, "Why did you not vote?" He would reply, "I had my own reasons for not voting." Then he might be told that was not sufficient, after which the absurd procedure of naming the hon. member would be gone through, though that died out a hundred years ago, and ostensibly he would be committed to the tower. I remember that on one occasion a man was committed to the tower in Victoria, which meant the best hotel in town. By and by the government realized what idiots they were making of themselves and said to the man, "You can come out." He replied, "Not if I know it. I am living comfortably here; I can come and go as I please all day," and he stayed there until the end of the session, when the law automatically let him out. It is a very unpleasant experience, as some of us here know, to be named. It is a disgrace. It is put on the record, and it stands against a man for all time—that he has been named, and escorted by a policeman outside of the chamber.

It is not necessary to do that, unless it is absolutely unavoidable. A question of religion might be involved. I might say to some of my people, "I am not in favour of that, but I will tell you what I will do; I will do nothing against it; I will not vote against it if it comes up." Here, in one way or another, I am obliged to do something against my promise and my conscience.

Can anyone tell us where there is any precedent for such a rule? Great Britain has gone on for thirty-eight years, and we have gone on for a number of years without enforcing it. Who asked for it? I ask this: Will that simplify, accelerate or expedite the business of the house? Every time this comes up there will be a squabble about it, and someone will put up a fight. If a person must give his reasons he is perhaps revealing his private affairs. Will that expedite the business of the house? I can remember Miss Macphail being compelled to vote. There was a complaint about it, and it led to our adopting a rule, more or less unwritten, that we should never compel anyone to vote.

The penalty is so severe that it is undesirable. I submit that the proposed amendment ought to be thrown out, because it is contrary to the instructions we gave the committee.

We instructed that committee to take steps to accelerate the business of the house. I can safely say that that will not accelerate the business of the house.

I am glad to see how many are willing to vote against this change. And having had all this discussion, I find, as a matter of fact, that that is the rule now. The present penalty is not put in, but the only difference is the penalty. It is a very unjust penalty. Let me refer the committee to citation 68, standing order 9:

> If a member who has heard the question put does not vote, and the attention of the Speaker is directed to the fact, the latter will call upon him to declare on which side he votes; and his name will be recorded accordingly.

But, following the custom, and by agreement on both sides of the house, that was abandoned. Its abandonment was animated by common sense, and it was dropped out. Why is there all this fuss about putting it in now, with this very unjust and unfair penalty?

The hon. member for New Westminster has said something about moving an amendment. He does not need to do so. All he needs to do is vote against this abortion of a rule.

Mr. GILLIS: Mr. Chairman, I have no desire to get into this discussion. However, if someone did not take part it would continue as a two-man show. I am surprised at this debate. A House of Commons committee was appointed for the purpose of bringing in recommendations as to how the work of the house might best be carried out. In my opinion it requires and can stand considerable improvement. Each group in the house was privileged to appoint members to the committee, and the committee sat under the chairmanship of Mr. Speaker, a man whom we all respect, whose fairness we recognize and in whose judgment we have confidence.

Under his chairmanship the committee, as is set out in the preamble to the report, asked any hon. members who so desired to place their views on procedure before the committee in writing. As the preamble states, no suggestions were received. If we were interested in expediting the business of the house, in protecting the interests of private members, and in all those other things we now appear to fear, then certainly we were lax in our duty in not assisting the committee to come to an understanding in accordance with our views. No member of the house availed himself of the invitation by the committee to send it the benefit of our views.

One would have to listen carefully to realize that we are discussing standing order 9, and the preamble to the report. Any committee which understood its business would, in dealing with a matter of this kind, write a preamble to any specific recommendations it might have to offer. So far as I am concerned, I believe this matter was considered carefully by the committee, while a member of this group was listening in. We have confidence in the man we placed on that committee. Reading the preamble to the report, I must say I can find nothing wrong with it.

For example, it states that one day of each week should be set aside for the purpose of discussing supply. Surely that is an improvement on sneaking into supply at ten minutes to eleven at night. No one knows when we are going to have supply, and all are guessing about it. The committee, in the preamble, definitely suggests that we set aside one day a week for that purpose; and with that suggestion I find no fault.

They set out the many problems with which they had to contend, and they have expressed the fear of interfering with the rights and privileges of anyone. They point out the difficulties connected with amending regulations or standing orders, particularly in view of the war situation, and the encroachment the government has already made on the privileges of private members.

Then they suggest that where a protracted debate is likely to take place, in order to give each member an opportunity to express the views of his particular group, representatives of each group should meet. That is a matter of custom; it is done anyway. It is merely a reiteration of a custom which has grown up in the past. So far as I can see, there is nothing wrong with the preamble.

I am not going to say anything about the other specific recommendations. I have, however, this to say about standing order 9, which we are now discussing. A member of the House of Commons is sent here to represent his constituency. What he does in the house is not his business; rather it is the business of the people who sent him here. He will have an opinion on any legislation passing through the house. Such legislation will be either good or bad for his constituents. They are not able to judge, but he is. He sits here, listens, takes part in the debate and has an understanding of the legislation. If he is in his seat in the chamber, it is his obligation to vote, and it is his responsibility to his constituents to show them, by the written record of the house, how he voted, whether he was taking care of their interests, or otherwise. If he wishes to leave the chamber and say he was not present, that is his own responsibility.

But I believe it should be the duty of members of the House of Commons to vote,

and it should be the duty of those enforcing the rules to see to it that when the bell rings the members are in their seats. When a motion or an amendment is before the house, one which means something to a member's constituents, it is his moral obligation to show them how he voted on that motion, and to show whether or not he was interested in their welfare. I do not think there should be any argument about that. For any hon. member to take the position that what he does is his own business alone is not my conception of carrying out the duty devolving upon a member of parliament. I consider myself to be the spokesman of the people of my constituency and of the people of the Dominion of Canada. The people of my constituency have sent me here with certain hopes and aspirations as to the manner in which I will carry out my responsibilities in taking care of their problems. What I do in this house should be done with a thought to the welfare of my constituents. Any matter that is before this house offers me a supreme test as to whether or not I am interested in it, whether or not I have the courage of my convictions. I must consider what action I shall take, whether it is good or bad for me politically. I do not think any member who is in his seat when a vote is taken should shirk his duty to his constituents.

I am surprised at the length of time that has been spent in discussing this matter. I think the committee have done as good a job as they could in the time at their disposal, having regard to the many complications surrounding the matter. I consider that the amendment to standing order 9 is quite good and should be accepted, plus the preamble. We will speak about the other amendments as we come to them.

Mr. HANSELL: I am glad to learn from the previous speaker that we are discussing an amendment and the preamble, since I have been trying to find out about that. This afternoon I listened to some long speeches in connection with the suggestions contained in the preamble. I must confess that I am not entirely in sympathy with those who object to them. I see no harm in those recommendations, but at the same time I would not care to cast my vote for all that is expressed in the prologue. I do not agree with the contention expressed in the second paragraph. I shall not take the time to read it; I simply make that statement. I do not agree with the statement made in the first part of the third paragraph, which reads:

> The present procedure was devised to reflect the freedom of all the members of the house, but we must realize that in war time parliament is bound to divest itself of some of its prerogatives in order to strengthen the government's power.

I absolutely do not believe that statement; I absolutely am not in favour of that statement. My contention is that the government has too much power, that it has taken unto itself more power than parliament ever intended it should have. I quite agree that parliament should give way to war-time legislation, but for my part I will not let it go by without vigorous protest. I do not agree to giving the government more power. The fact of the matter is that power in a demorcracy rests with the people, not with the government. In Canada parliament is the body which represents the people; the government does not represent the people. The government is the administrative body that has been called upon to execute the legislation that parliament puts into effect. But the government does not represent the people; parliament represents the people.

I should like to say a word with regard to the amendment to standing order 9. I cannot say that I have any objection to this amendment. I do not agree with some who have contended that a man should not be in his seat in the chamber when a vote is taken if he is not going to vote. I do not know why he needs to be here if he is not going to vote, unless it be to watch the rest of us perform as we make our little bows to His Honour. When a standing vote is taken the bells are rung for two or three minutes, and if an hon. member does not want to vote he has plenty of time to go to the lobby, put his feet up on a chair and smoke his pipe if he wants to while the rest of us decide which way we intend to vote.

If this amendment carries I fancy it will put an end to the custom of pairing. I do not know why pairing is allowed. Personally I never could see any wisdom in that practice. I think it tends to encourage loyalty to party rather than loyalty to the people. When a man must be away he gets a member on the other side to refrain from voting in order that the parties may still retain their proper standing. I do not go much for party machinery. I think private members when they take their places in the house should do so as representing the people, rather than a party. Having made these observations, I am prepared to favour the amendment to standing order 9.

Mr. JOHNSTON (Bow River): I doubt if this amendment would stop a man from pairing with another.

Mr. GLADSTONE: The committee is discussing the report of the special committee appointed to revise the standing orders of the

House of Commons. I desire to renew my plea for greater independence on the part of private members. I set this forth in a speech I made on February 8, which is reported on page 263 of *Hansard* as follows:

To this end members of parliament, especially in this time of world crisis, ought to exercise their right to advocate and consider legislation with less regard to party affiliation. Members now have freedom, in theory but not in general practice, of voting according to their judgment. Consequently I advocate that the defeat of a government measure shall not constitute defeat of the government.

Confidence or want of confidence in the government, after non-acceptance of proposed legislation, should be determined by a separate vote. An adverse majority on a confidence vote would then constitute defeat of the government.

In the United States there is no such thing as a vote adverse to the administration. An adverse vote means no more than a favourable vote. Under their constitution an election is held every four years, and consequently members of the senate or the house of representatives need not fear that they are forcing a defeat of the government and bringing on a general election when they vote in a certain way.

Since I offered those suggestions on February 8 I have had much favourable comment in editorials and in very kind letters sent to me by Canadians from all parts of the country. I have some evidence that in emergencies this practice of continuing in office even in the face of an adverse vote is being employed. For instance, I find an article in the Toronto *Globe and Mail* of February 25, which carries the following heading: "Premier Drew prepared to accept test on confidence." Premier Drew's comments at that time were as follows:

This is not a minority government. It is the government called to give executive direction to the affairs of this legislature. It may be a healthy thing to see members free to express their own opinions and vote in accordance with their own views.

This cannot be a minority government. You have the power to move a want-of-confidence motion which we will be glad to accept as an issue. If this is not done, we must imply you have confidence in the continuance of our work as the government of the province.

As for the terms on which we will govern, there are no terms and no thought of dictatorship. Even a hint of dictatorship is a reflection on the man who makes it.

We are in the position where we must depend entirely on your support of what is done.

We do not intend to govern in a spirit of fear. We assume full responsibility, and as soon as you feel we have not confidence, the democratic test is there.

We have another instance of a government arriving at a situation in which they had difficulty. I have in my hand a Canadian Press dispatch dated March 28, from London, and it is headed: "No censure intended in vote against government." Members will recall that on that day Prime Minister Churchill's government suffered the first defeat in its history by a single vote. The situation was reviewed, and on the following day, on a definite vote of confidence or no confidence, the government was sustained by an overwhelming majority.

What is the effect in parliament of the practice that the government is defeated on an adverse vote? One serious drawback is that private members supporting a government that has a very large majority need give no concern to studying the legislation that is before parliament. If they take their cue from the Prime Minister or the cabinet ministers as to how they will vote what need it matter whether they give any study whatever to the legislation or not? I can say to any young man in Canada who is contemplating entry into parliament that he will be grateful if when he comes into this house he finds himself on the opposition benches because there he has an opportunity to speak whenever he wishes, whereas on the other side of the house, according to the practice that prevails of ministers leading and carrying on the discussions, there is very little for private members supporting the government to do when that government has a large majority. Therefore I would say that in the interests of careful consideration of legislation, members, if they will not do it of their own accord, should be forced into the position where they must study the legislation in order that they may know how they should cast their vote when the division bell rings. I do not desire to enlarge on this point, but I think Mr. Speaker and his committee would do well to consider, if possible at this time, a further amendment to the standing orders in order that private members may be given additional freedom and additional encouragement to take a greater interest in the legislation that is presented day by day. I am sure that the effect of forcing private members into the position where they must study the legislation in order to know how to vote would go a long way toward keeping this chamber filled during the discussions and get us out of the present situation in which we are criticized for taking little or no interest in what is going on.

Mr. MACKENZIE (Vancouver Centre): Mr. Chairman, I wonder if I may say one word in regard to the exact issue as between the proposed amendment and the present state of the rules. If hon. members will look

at citation 69, on standing order 9, in Beauchesne's Parliamentary Rules and Forms, second edition, page 25, they will see that the last part of that paragraph reads:

The practice has not been changed in Canada where every member who has heard the question put is bound to vote.

The citation in that book has not the force or sanction of a standing order, and the amendment proposed by the special committee to the house would make it a rule as part of standing order 9. If the proposed amendment is defeated, the practice of the house, according to its custom, will be exactly what it is now, but His Honour the Speaker will not have a definite rule with the sanction of a standing order to guide him in ruling when occasions arise as they did between 1930 and 1935, as those of us who were in the house then will recall, when there was uncertainty because the practice was not embodied in a standing order. That is the issue concisely and clearly. Whether the amendment is defeated or not we will still have the practice, but the Speaker will not have a definite standing order to guide him in the decisions he has to make.

Mr. STIRLING: Can the hon. member find the same wording that he quoted in the third edition of Beauchesne? I presume, if we are to be guided at all, we are to be guided by the latest edition of Beauchesne, and I am unable to find that wording in the third edition.

Mr. MACKENZIE (Vancouver Centre): I was unable to find it repeated in the third edition, may I inform my hon. friend. It is only a comment of the clerk of the house and has not the force or sanction of a standing order. Any observer can make such comments as he sees fit, but they are not binding on the house. The citation quoted only indicates what the practice of this house has been, and the practice has been in force as a matter of custom, but not as a matter of law and not because of a standing order.

Mr. CARDIN: As to the observations made by the Minister of Pensions and National Health, I think I am bound to take issue with him. His argument is based on a citation on the standing orders in the book prepared by Doctor Beauchesne on the rules of the house. These marginal notes are only an indication or a recording of the practice of the house; they are a record of decisions of Speakers in the Chair, but there is no rule of the house and no standing order existent at the present moment obliging a member to register his vote. There is nothing beyond a citation which has been written out of the precedents which have prevailed in the past. But I have observed that for a number of years, five or even ten years, the practice has changed, and hon. members have been allowed to remain in their seats and not register their votes on the question. Thus a new practice has been developed which contradicts to a certain extent the marginal note referred to by the minister. At present hon. members are at liberty, according to a practice which has prevailed for several years, not to vote on a question when they feel they are not bound to do so, or when they are not convinced that it is proper or in the interests of their constituents to vote yes or no. This may happen very often on a matter of relative unimportance, upon questions which are coloured by political advantage for one party or the other. An hon. member may feel that he should not take side on an issue which is purely political and which has no other purpose than to reap some political advantage later on.

I am in favour of every member of the house being at liberty to register his vote or to refrain from registering it. The argument has been advanced that we are speaking here for our electors. It is true that each of us represents a section of the country, but it is left to the member to execute his mandate according to his own judgment. If he feels that there is no justification for his registering a vote on a question of no importance, or when, in his judgment, a case has not been made out, he should be free to refrain from doing so, and if there is any criticism to be made of his action, let the electors who sent him here make that criticism. It is not for the house; it is not, with all due respect, for the Speaker, and it is not for the government to impose upon a member an obligation to vote when according to his conscience and his judgment he feels he should not register a vote. Liberty should be preserved to the member to decide that matter for himself.

I do not like the severity of the amendment which is proposed. It seems to me that the penalty to be imposed is much too severe and too great for the offence. It is though we were to decide that a man should be hanged because he stole a bottle of whisky. The penalty is out of proportion to the offence.

I propose to vote against the amendment. It is not on account of any fear I entertain of expressing my opinion on any question which is brought before the house, or that I am afraid of expressing my views on any matter which is being discussed in public or in this chamber. I am going to vote against it because it changes a practice which has prevailed for several years, and because I want to preserve the liberty of a member to decide what he is going

to do in this house and in what way he will represent the electors who have sent him here.

So much for the amendment. But it has not been made clear to me exactly what proposal we are discussing or arguing. The whole afternoon we have heard arguments against the preamble to these proposed amendments, and a very strong case has been made against the suggestions contained in the preamble. What is at present before the committee? It is a report of a special committee appointed apparently to improve the business, the deliberations of the House of Commons. That report is composed of two sections. In the first section will be found recommendations or suggestions or advices which are being given, without stating that they should be embodied in any standing order, but nevertheless suggestions which are of a very important and serious character and which, if applied, might raise sound objections and are likely to curtail the discussion in this House of Commons to a dangerous degree and prevent groups and minorities from expressing their views with regard to questions which come up for discussion here. We are told that these are only pious wishes, that they are merely suggestions; but that is a point of view expressed by those who have delivered speeches supporting the report. We have a document which has been placed before us in accordance with a motion by the Prime Minister. He moved:

> That Mr. Speaker do now leave the chair for the house to resolve itself into committee of the whole to consider the report of the special committee on the revision of standing orders.

And the question being put on the said motion it was agreed to. The house accordingly resolved itself into committee of the whole on the said report, and progress having been made and reported, the committee obtained leave to consider it again at the next sitting of the house.

We are at present considering the report of the special committee appointed to revise the standing orders; and when all the amendments proposed are approved, or some of them disapproved, and you, Mr. Chariman, make your report to Mr. Speaker, you will report that the committee of the whole has been considering the report of the special committee. So that if we agree to the report made to Mr. Speaker, approving the report of the special committee, it will mean that the House of Commons has also approved the recommendations or the suggestions or advices included in the preamble of that report. You cannot separate the two things. If we do not agree about the preamble, let us advise the Chairman not to report on the report of the special committee but only on the amendments which have been considered by the committee of the whole, if such a procedure is permissible.

I think we should have some clarification of the situation so that we may know exactly what we are dealing with. Are we dealing solely with the amendments proposed, or are we dealing indirectly with the suggestions or proposals contained in the preamble of the report? This ought to be made clear. The report is rather awkward because it contains two sections which do not agree. If what is contained in the preamble is worth our consideration, why did the committee not suggest some amendments to carry out the proposals contained in the preamble? It is an indirect way of amending the rules or suggesting a method of procedure to the government with regard to the transacting of the business of the house.

I am inclined to agree that it would not be necessary to have the suggestions contained in the preamble clearly embodied as standing orders, because practically all the suggestions that are made in the preamble can be put into effect as the rules stand at present. They are suggestions that are made to the government as to procedure. But if we approve the report as it is before us at present, we approve the suggestions that the special committee has been making to the government, and we authorize the government to proceed according to these suggestions. And possibly not this government, but some other government might look upon it as a precedent and might say, if the same questions should arise later on, "Well, the procedure that we are at present following has been suggested to us by a special committee appointed to consider the standing orders, and the suggested methods of directing the debates of the House of Commons have been approved by the whole House of Commons, so that we are justified in following those suggestions now, since they constitute a precedent approved by members of the House of Commons sitting as committee of the whole."

That is why I insist upon some clarification being made of the situation and some clear indication being given to us as to what we are really voting on at the present time. I would be inclined to accept the statement that has been made, if I remember correctly, by the Minister of National Defence, that the preamble contains only the pious wishes and advice and recommendations of the committee, which the government is not bound to follow or to put into effect. But I should

like to have a little more definite pronouncement that the government as a government do not accept them as a direction and do not interpret the voting of the committee on these amendments as an approval of the suggestions made in the preamble and as a direction to the government for the conduct of the business of the House of Commons. If that clarification were made there would be less difficulty in accepting or disposing of the suggested amendments.

I suggest that we need to know what is really the position and what is to become of the preamble.

Mr. NEILL: May I interrupt the hon. member. Perhaps he was not in the house when we discussed this question before, but the Chairman has ruled that it is not a preamble but a part of the report, and that makes the position worse.

Mr. CARDIN: It makes my position stronger if it is a part of the report of the committee. In dealing with it at the present time and approving the suggested amendments which we are presently discussing, we are approving that other part of the report with which so many members have expressed disagreement. That is the position I propose to take myself, and I do not hesitate to give my vote against the first amendment, having in mind that I am also opposing the suggestions that are contained in the preamble.

Mr. GLEN: Several questions have been asked this evening regarding the amendment to standing order 9. One statement was that it was not contained in Doctor Beauchesne's, third edition. The reason is this. It was not transferred from the second to the third edition because of the uncertainty of the law with regard to voting in the house. When that matter was brought before the committee I perhaps insisted more than others that some declaration should be made by this committee, because after all we were dealing with the rules of the house where corrections could be made which were necessary in the light of the experience of past years and this was the time to do it. I had it brought before me in the house the week before the first meeting of the committee. There was a vote in the house, and one hon. member asked me whether a certain member who had not voted should not be compelled to vote. I stated that I preferred not to give a decision then because the law to my mind was not clear and I did not know what powers I had to compel a member to vote, and if I did endeavour to compel him I did not know what penalty I could impose upon him if he did not vote. The result was that the question has been in a state of indecision, and it is a serious matter, because I can quite well understand that a question might be raised on some issue which was being voted upon, upon which there might be keen anxiety, and there might be considerable delay in the proceedings of the house, which might give rise to contentions that need not ensue. Consequently, when the committee considered the matter, they adopted this amendment and put it before the house. As I have already said, the committee have endeavoured as best they could to interpret what might be the wishes of the house. Hon. members have now this amendment before them and must decide what shall be the law of the house when this report is finally disposed of.

The difficulty in this matter is that if the house does not agree to the amendment, we are then placed in the same position as we were in before, with an indecisive law so far as the house is concerned, and that makes it rather difficult for a Speaker to enforce the law, supposing he is asked by the house to do so. The rejection of the amendment will mean, therefore, that we shall be back where we were before. I do not know how we can rectify that. I should like to see some declaration from the house either for or against, but if it is against then I think something should take its place. Either the member should be obliged to vote, or he should not be obliged to vote. If the house in its wisdom arrives at a decision in that regard, that is all I want; but speaking personally I do wish to have some direction from the house.

The hon. member for Richelieu-Verchères (Mr. Cardin) has referred to the introduction to the report. I have emphasized already that there was no intention on the part of the committee that the introduction should be considered as obliging either the government or the house to make amendments to the rules. These recommendations, as they are called, in the preamble were never intended to be recommendations which the government should implement; they were simply the thoughts in the mind of the committee at that time as to ways in which the procedure of the house might be altered in the discretion of the government and of the house. I think the hon. member for Richelieu-Verchères is not correct when he says that the report as a whole will be reported by this committee to the house. What the chairman will report will be the amendments the committee has approved; it will not be the report itself. That is what was done in 1927. There was no long preamble then, but on March 22 of that year, at page 316 of the *Journals*, I find this:

The report of the special committee appointed to consider the advisability of revising the standing orders usually called the rules of the

house, was again considered in committee of the whole, reported with amendments, considered as amended, and concurred in, on division, as follows.

There was no preamble, if it can be so called, to the report of that special committee, but in conclusion this is stated:

If the proposed changes are concurred in by the house, it will be necessary to renumber and reprint the rules. Your committee recommends that the present report be only put in force at the next session of parliament. All of which is respectfully submitted.

Rodolphe Lemieux,
Chairman.

The position will be that the chairman of this committee will report the amendments which have been moved and to which the concurrence of the house is desired. There is no question in my mind, and I think there can be none in the mind of any hon. member of this committee, that a government could possibly propose to found any legislation upon recommendations such as those referred to, especially in view of the expressions of opinion which have come from hon. members in opposition to the recommendations contained in the first part of the report. The house will simply concur or not concur, as the case may be, in the recommendations of the committee as far as the proposed amendments are concerned.

Personally I saw no necessity for the discussion that took place on the introductory portion of the report, because after all what the house has to deal with are the amendments that are being proposed to the rules of the house. These proposed amendments have been approved by the special committee; if reported by this committee and adopted by the house, they will form part of the rules of the house. The hon. member for New Westminster referred to a citation in connection with amending the rules of the house. Hon. members will realize that a citation in Doctor Beauchesne's book is of value in showing the practice that has been followed in the past, and possibly in pointing out the law, but it has not the effect of a standing order. You cannot amend a citation in Doctor Beauchesne's book, but you can amend a standing order.

The hon. member for Richelieu-Verchères requested the government to make a statement with respect to the introduction to the report and the statements contained therein, to the effect that the government disagrees with it and that it will not be considered as a precedent. The fact is that this report comes from a committee of the house, not from the government. Each member of the government is only an individual member of the house as far as this report is concerned. After the discussion which has taken place to-day, however, I am sure any future government that proposed to found any action upon the report would only have to read the pages of *Hansard* to know that the introduction was not considered as part of the proposed amendments to the rules.

The CHAIRMAN: The hon. member for Richelieu-Vercheres asked by what authority I was occupying the Chair at the present time and what sort of report would be made to the house. The authority will be seen at page 1107 of *Hansard* for March 3, 1944:

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

Hon. Ian A. Mackenzie (Minister of Pensions and National Health): With the consent of the house I move:

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

Motion agreed to.

This afternoon when Mr. Speaker left the Chair and the house went into committee of the whole, after calling "order" I presented the following order to the committee: "House in committee of the whole to consider certain amendments to standing orders. Standing order 9". Then I read the amendment which is now before the committee. When I make the final report on the matter now under consideration by the committee of the whole, this will be the report to Mr. Speaker: "Mr. Speaker, the committee of the whole have adopted certain proposed amendments to the standing orders of the House of Commons, and have directed me to report the same".

Mr. CARDIN: May I draw your attention to the fact that when you are reporting to the Chair a matter which has been considered in committee of the whole, you do not report that certain amendments have been considered by the committee of the whole. You report a bill that has been considered by the committee, together with the amendments that have been made in committee of the whole. In this case your power has been given under the motion of the Prime Minister on March 7 that the house proceed to take up in committee of the whole the report made to the house by the special committee. That is what is now before this committee; that is the report we are at present considering. I submit with all due respect that when you report to the Chair your report must be, "The committee has been considering the report made by the special committee appointed to consider amendments to the standing orders of the House of Commons." If you want to make a report in accordance

with the motion, you must state that the committee of the whole has considered the report of the special committee; you cannot say simply, "I am reporting certain amendments." Amendments to what? Where have you taken them from? Who proposes these amendments? You have been taking these amendments from the report of the committee, so that you must present to the Chair the report of the committee, not just the amendments, which means that you must report the preamble as well as the amendments themselves.

The CHAIRMAN: I must repeat that this special committee was appointed to assist Mr. Speaker in revising the standing orders of the house. The special committee reported to the house and the report was referred to the committee of the whole, to consider and pass or amend the amendments contained in the report.

Mr. CARDIN: But that does not alter the fact that what we have before us is a report, with which we must deal in its entirety. You cannot separate one section from the other. We are considering the whole report, whatever it is.

Mrs. NIELSEN: Mr. Chairman, for the sake of the record may I say that, generally speaking, I am in agreement with the preamble as set out in the report. But definitely I wish to say I regard the amendment to standing order 9 as a detriment to the rights and privileges of private members of the House of Commons.

Generally speaking, issues which come before the house are so clear-cut that, after considerable debate members have enough information and knowledge to decide whether they wish to vote one way or another. But now and again it may so happen that even after debate a private member is not in a position, and does not have sufficient information upon a question to vote. Only once since I have been a member of the house has such an occasion arisen, and I should like to recall it. That was the time when the official opposition asked that certain documents be placed before the house. The documents had been before the war expenditures committee and had been seen by that committee in camera. I was not of the opinion that those particular documents should be brought before the house and published in a time of war. Therefore I could not vote with the opposition. Neither could I vote in support of the government, because I had not seen the documents. To have voted in support of the government would have been a blind vote. Upon that occasion, knowing that if I sat here I should vote, I went outside the chamber and did not vote.

Even if this amendment passes, and if occasion should arise when Mr. Speaker must name me, may I say that I would prefer to be named by Mr. Speaker than to vote blindly upon any measure. It is possible that such a question might not arise again for years. But it is also possible that a private member might be placed in another situation of exactly the same kind. I see no reason why a private member should be forced to vote, if that member does not have sufficient information to make it possible for him to vote according to his conscience. In the instance I have indicated I could not vote unless I saw the documents in question and read them through, and had satisfied myself that they were correct or incorrect. Neither, on the other hand, could I support the idea of having this placed before the public in a time of war.

In an instance such as that I feel that if one were controlled by an amendment such as the one now before us it would be somewhat of an indignity if Mr. Speaker should have to name me, or I should have to remove myself from the chamber. Therefore I state most emphatically that I shall vote against this amendment.

Mr. RALSTON: Following what has been said by the hon. member for Richelieu-Vercheres, as to the attitude of the government, may I say to him and to the committee that, assuming that the amendment now before the committee should pass—and that is all that is before the committee, in my humble opinion—so far as the government is concerned it will not regard that as an approval of anything more than is contained in that amendment.

I wish to say further, in reply to the hon. member for Richelieu-Vercheres, that the committee was appointed in the first place for the purpose of assisting in revising the standing orders of the house; and the preamble which my hon. friend ties on to this particular amendment has, I submit, nothing to do with the question we are now considering. The only substantive resolution before the Chair is the resolution amending standing order 9. That stands on its own feet, and is dealt with separately from anything else.

Mr. POULIOT: I move:

That the word "recommend" at line twenty of the second paragraph on page 2 of the report be stricken out, and that the word "suggest" be substituted therefor.

I note that in reading my amendment Mr. Chairman has had some difficulty. In the committee we have no stenographer to which we might dictate our amendments. I realize my handwriting is hard to read, so that I can understand the trouble he has had.

The sentence now reads:

We therefore recommend that, when the yearly estimates have been brought down, one day a week be set aside for consideration of supply.

With the amendment, the sentence would read:

We therefore suggest that, when the yearly estimates have been brought down, one day a week be set aside for consideration of supply.

That amendment is important, because it is no longer a recommendation from the committee. It is just a suggestion. I hope the leader of the house will understand that I have done my best to catch the olive branch he has offered to the committee. I have showed my good disposition, what the Prime Minister calls good will, in making the amendment. This will put everybody in a good mood, and will bring about an early settlement of the difficulty.

I have never attended any meetings of the League of Nations at Geneva, but I have tried this peace movement, this appeasement, for those who have been dissatisfied with the way in which the report was drafted.

The CHAIRMAN: Order. I must say to the hon. member for Temiscouata that his amendment is out of order.

Mr. POULIOT: It may be out of order, but it is the basis of the proposed amendment. And, instead of taking out the basis of the amendment, I wanted to put a little cement in it, so that it might be in better shape than it was before. Even if my amendment is out of order, it has shown my good will.

Now, if we are about to talk about the proposed amendment, we will talk about it. How many times have I boosted parliamentary institutions in the United Kingdom! His Honour the Speaker has said that at times he has been embarrassed because we have no definite rule about the right to vote when one is sitting in the house. He has said that we have no definite law. But let us first read the first standing order of the House of Commons. It states:

In all cases not provided for hereinafter or by sessional or other orders, the usages and customs of the House of Commons of the United Kingdom of Great Britain and Northern Ireland as in force at the time shall be followed so far as they may be applicable to this house.

[Mr. Pouliot.]

We may now turn to page 28 of Doctor Beauchesne's book published in 1927. The second part of citation 87 which appears on page 28 reads:

A member is not obliged to vote. S.O. 29, British H. of C.

I am very sorry to have to disagree with Mr. Speaker about the matter. If the former Speaker, the Hon. Mr. Lemieux, was embarrassed about deciding this matter during the hectic session of 1926, it was due to his ignoring the fact that there was a standing order at Westminster which ruled that members were not forced to vote. I remember that Ted Garland was a member of the house at that time, as were the late Mr. Woodsworth and Mr. Bourassa, and they all decided not to vote. They were handicapped to a certain extent when they were told that it was their duty to vote. They asked to be shown the standing order by virtue of which they were bound to vote, but nobody could show it to them.

It is now suggested that we should penalize an hon. member who remains in his seat during a division, who is not hypocritical enough to want to go behind the curtain when a vote is being taken and where all he needs to do is just cover part of his body. I maintain that it is the right of a member of parliament to stay at his desk and decide whether he will vote or not. A member should have the right to remain in his seat without having to run behind the curtain. This concerns the independence of parliament. A member of parliament should not be faced with the possibility of being named by Mr. Speaker, a thing that would bring shame upon him. He should not be forced to have to run behind a curtain where he can show his face but where he must keep one-half of his body hidden. It is the most ridiculous thing on earth to state that the report could be acceptable to anyone. I have my own reasons for saying that.

An hon. MEMBER: Oh, oh.

Mr. POULIOT: It is all right for the hon. member to interject during this debate because he will not have a chance to do so after the next election. The hon. member for Fraser Valley is one of those who will be defeated with a large majority.

Mr. CRUICKSHANK: Mr. Speaker—

Mr. POULIOT: I have the floor and I do not want to be interrupted by anyone.

Mr. CRUICKSHANK: I rise to a question of privilege. Perhaps my hon. friend will listen to me for a minute. I did not interject.

I have listened to his nonsense and I never interjected in any way, shape or form. I was speaking to another hon. member in front of me, and I was certainly not lowering my dignity or the dignity of the house by interrupting such nonsense while we are at war.

Some hon. MEMBERS: Order.

Mr. POULIOT: Mr. Chairman, will you please ask the hon. member to withdraw the language he has used. I rise to a question of privilege. The hon. member has no right to say that the remarks of another hon. member are nonsense. I want your ruling on that. If you rule in favour of the hon. member for Fraser Valley, then I will use the same language about him a million times.

The CHAIRMAN: I do not believe the statement made by the hon. member for Fraser Valley is unparliamentary.

Mr. POULIOT: Then I use it a million times against the hon. member for Fraser Valley.

Mr. McCANN: This debate appears to have resolved itself into what constitutes a report. I am of opinion that what is called the introduction or what has been referred to as the preamble should constitute part of the report. Hon. members should by their votes say whether or not they are in favour of that particular part of the report. If one looks in a dictionary he will see that the definitions of "preamble" and "introduction" are much the same; they are almost synonymous terms. "Preamble" means preliminary remarks.

It states here specifically that this is the first and final report of this committee. In the report are two specific recommendations, which read in part as follows:

> We therefore recommend that, when the yearly estimates have been brought down, one day a week be set aside for consideration of supply

The next recommendation—note that the term is "recommendation", not "suggestion"—is as follows:

> Our recommendation is that, when there is reason to believe that debate will be protracted, parties and groups recognized in the house shall confer and make arrangements either for allotting days or laying any plan for saving time

What is the position? If we concur in certain recommendations which appear later on, there are still two substantial and important recommendations which will not have been dealt with and for which at some time or another there will have to be further standing orders provided. As far as the amendment to standing order 9 is concerned, I shall vote against it. I do not see why it should be obligatory upon any member of this house to vote unless he sees fit to do so. As far as I am concerned I shall be responsible to my constituents for what action I take, whether I vote or whether I withhold my vote. I suggest that it will be high time to oblige members of the house to vote, to make it obligatory that they vote, when the law of this country is that everybody shall be obliged to vote in a general election.

The position I take is that the report in its entirety should be discussed and concurred in, perhaps with some amendments. I am ready to assume the responsibility to my constituents as to whether I vote on any question that comes before the house. I can get away from that responsibility by absenting myself, but that is a poor way of doing it; that is a childish way of doing it. I submit that I should have a perfect right to exercise my own discretion and judgment and not have to face a certain penalty.

Mr. MAYBANK: I am in entire concurrence with the statement of the previous speaker that the forepart of this report could be voted upon. Furthermore, I see no harm in registering the opinion of this committee upon these two recommendations. Before the dinner recess the hon. member for Comox-Alberni was urging that they be set out specifically at the conclusion of the discussion on the other recommendations. I should have liked to see the committee agree that at the conclusion of these recommendations, or at the first if you like, we record whether this committee is in favour of these recommendations or contrariwise. We should not have had the difficulty we had this afternoon. I submit that we can very well settle the amendment to standing order 9 immediately. Surely we all have our minds made up on it. For my part I do not think it is very important one way or the other. I do not believe that most of the members of this committee think it or the two recommendations in the early part of the report merit all the debate we have had upon them.

I should like to make this suggestion to you, Mr. Chairman. There is no thought of applying closure or anything like that, but we have had a field day here this afternoon on these various proposals and also a sort of field day on a great many asides that some member or another would make, and we would then barge into a debate on them. I would appeal to you now, Mr. Chairman, that we agree to vote in due course on the two recommendations that the hon. member for Comox-Alberni has so often brought to our attention this afternoon, and then let us dispose of the

amendment to standing order 9 right away, and see if we cannot get one step forward before the hands of the clock move on many minutes.

Mr. KINLEY: I was pleased to hear the minister who is leading the house say a few minutes ago that the preamble or introduction was not to be considered in this committee. I was glad of that because it contains a strange doctrine to which I do not subscribe. Paragraph 2 of the committee's report reads as follows, speaking of criticisms of this house by those outside:

> These criticisms arise from opinions concerning the functions of parliament which are often based upon such misconceptions as the view that parliament is primarily a board of directors with the members of the cabinet as its executive staff, and that members, instead of endeavouring to reconcile as much as possible all the elements of public opinion, which is difficult in our diversified country, should rigidly consider every question on its own exclusive merits Such however is not the true function of a legislative body composed of 245 members elected to discuss the management of public affairs Debates may sometimes be lengthy but they bring home to the administration the advisability or unpopularity of a particular line of policy and they must be heard because democratic government rests upon public opinion. Parliament is the assembly of representatives elected by the people where great issues are debated—

'Debated", mind you.

> —or should be debated; it is not primarily a body of auditors charged with the inspection of departmental accounts. Freedom of speech is one of the inalienable privileges of members of the House of Commons.

And thus it goes on. This report by a committee of the House of Commons would reduce parliament to a debating society. Furthermore, it says:

> Mr. Speaker, from the special committee appointed to assist him in revising the standing orders of the House of Commons, presented the first and final report of the said committee, which is as follows.

Then follows the introductory part of the report which we are told now is only drapery to the main report. We are told that it has no virtue. If it has no virtue, why is it there? When we had a motion made earlier in the evening to delete that part from the report it was ruled out of order. We are told by the people who support it that it has no virtue, and we are told by the minister leading the house that it is not to be considered by this committee. Why, then, should we not delete it? That is mysterious to me. I cannot subscribe to this part of the report and for that reason I shall vote against it.

[Mr. Maybank.]

Mr. NEILL: I think the hon. member was slightly mistaken in his conception of what the hon. gentleman who is leading the house said a few moments ago. What he said in answer to the lady member was that passing of the amendment to standing order 9 in no way conveyed approval or concurrence in the earlier part of the report. The hon. gentleman behind me took that as meaning that that part of the report would not be considered at all. But the hon. member for Richelieu-Vercheres made it very clear that the report as a report must be adopted as such or rejected. I wish to compliment the hon. member for Richelieu-Vercheres upon the able way in which he expressed so well what I was saying much worse this afternoon.

The hon. member for Renfrew South made a very good suggestion. He said that he was not going to vote for this amendment to standing order 9. But a little difficulty arises there. I also agree with the hon. member for Winnipeg South Centre, who made the best suggestion of all. He said that if these amendments are amendments—and they are—why not dispose of them for good or evil and let us get on. There is only one slight divergent point. I was impressed by the remarks made by Mr. Speaker. He said that there has been confusion in some places as to whether a man had or had not the right to vote.

I should like to make this suggestion, which ought to meet the whole situation and expedite the thing. Mr. Speaker gave the impression that he was not so deadly struck on putting through this amendment in its present form, but he did want a definite ruling by which he could govern himself in the days, and I hope years, which are to come. I therefore move the following amendment:

> That all the words after the word "added" in the proposed amendment be struck out and the following substituted therefor:
>
> "A member present in the chamber when the question is finally put by Mr. Speaker shall not be obliged to vote."

That would give us a definite ruling which should satisfy the desire of Mr. Speaker for definite instructions. I think it would also meet the wishes of a large number of members, and it would also be in accordance with the rule which has prevailed in the British House of Commons for thirty-eight years. It might be said that this amendment is unnecessary, since voting against the main motion would have the same effect, but I am moving it to meet the situation envisioned by the Speaker.

The CHAIRMAN: Standing order 9 reads:

> Upon a division, the yeas and nays shall not be entered upon the minutes, unless demanded by five members.

The special committee propose the following amendment:

And every member present in the chamber when the question is finally put by Mr. Speaker shall be obliged to vote, and if he does not vote Mr. Speaker shall call upon him to vote and his name shall be recorded accordingly. If he persists in not voting he may be named by Mr. Speaker for having violated a standing order of the house.

Mr. Neill moves as an amendment to the amendment:

That all the words after "added" be struck out and the following substituted therefor:

"A member present in the chamber when the question is finally put by Mr. Speaker shall not be obliged to vote."

Mr. KINLEY: Before the motion is put I should like to know what is the position of the preamble at the moment.

The CHAIRMAN: That matter was discussed this afternoon when we went into committee. I made a ruling, and a general discussion was allowed on the report.

Mr. KINLEY: Moreover, Mr. Chairman, you ruled out an amendment to delete the preamble. There was a motion made to delete the preamble and you ruled that out. Subsequently, the minister who was leading the house said, I think, that the preamble was not being considered by the house and would not be part of the report.

Mr. RALSTON: If my hon. friend is referring to the passage which I think he is referring to, it was in answer to the hon. member for Richelieu-Verchères, who asked for an assurance by the government that an approval or a disposition of the amendment to standing order 9 would not be regarded as an approval of the sentiments or the recommendations or the suggestions contained in the preamble, and I made the positive statement that the passing of the amendment to standing order 9 would be regarded only as an approval of that amendment in the terms in which it was set out.

Mr. KINLEY: What is the position of the preamble in the picture?

Mr. RALSTON: As I see it, if I may suggest this to the committee, there is before the committee no motion with regard to the preamble at all, but there is a definite motion before the chair that standing order 9 be amended by adding the clause which is here, and that is all that is before the committee. The committee was desirous of discussing the preamble, which contains no amendment whatever to any standing order—and I remind the committee that the special committee was appointed for the purpose of amending the standing orders, not for the purpose of making suggestions or recommendations of the kind which are contained in the preamble—but because of the fact that this amendment is the only thing which is before this committee, and not the preamble, that is the thing which I think the committee should consider.

Mr. KINLEY: Do you not think that the fact that the matter has been dealt with in the way it was gives the unanimous approval of the house to the introduction?

Mr. RALSTON: Let me make it clear that the government is taking no part in this. I am sitting back and watching the members of the house deal with the rules of the house, and I am taking just as little part in it as possible. I am glad to help if I can, but I have heard a good deal this afternoon about democracy, free speech, and things of that kind, and I think *Hansard* will show pretty good evidence that there has not been much restriction in that respect. Whether or not that has contributed to the effective consideration of the serious question which we have had to consider, namely the substantive recommendations in the committee's report, remains to be seen. However, as far as the government is concerned, hon. members have had a perfectly free rein in that respect, and all I have done is attempt to help if I could, to see that the rules of the house which we have at the present time and which are not amended are carried out, and hon. members are at liberty to make any such motions as they think proper if they are within the rules of the house. My own thought was that a motion regarding the preamble was not within the rules of the house, because a motion had been made by the Speaker and was put by the Chairman, a specific motion amending standing order 9. No motion is before the Chair at the present time with regard to the preamble, and I find it difficult to bring myself to think that by any stretch of the imagination, either the approving or disapproving of that amendment to standing order 9 can be regarded in any way as expressing any view one way or the other on what is set out in that preamble. It just means that it is disregarded, and that when these matters come up for consideration—and, by the way, one of them could be germane to a standing order of the house—they will have to come up, not by way of a recommendation such as we have here, but by way of an amendment to the standing orders. The one I have in mind could be related to standing order 17, which provides that when government business has precedence, government orders may be called in such sequence as the government may think fit. If the committee

or anyone else wants to attempt to put into effect the suggestion or recommendation contained in that preamble with respect to the setting aside of special days for the discussion of estimates, he would have to bring forward and place in the hands of the Chairman a substantative amendment to standing order 17, and that has not been done. The preamble does nothing more than express some pious opinions as to what might be done, in the opinion of a committee of this house. I submit, Mr. Chairman, that the situation is pretty clear. We have roamed over a great deal of ground, but we are back to just one thing; that is, must a member vote or may he not? That is all there is to it. The amendment suggested, if I may say so, is rather vague; it just says that hon. members shall not be obliged to vote. Somebody will say, "So what?" Supposing a question is put and no hon. member votes; what then?

Mr. STIRLING: I wonder if I may ask the hon. member for Marquette whether in his opinion this is a proper amendment.

Mr. GLEN: I have no objection to the amendment personally, for reasons I have given already, though it might have the implications of an expanded negative. The amendment merely provides that a member in the chamber at the time a vote is called shall not be obliged to register his vote. Penalties are provided in the original amendment which will be deleted if this amendment carries; and while I do think it comes somewhat near the realm of an expanded negative, yet I think it is in order. It denies the purport of the original amendment, but it adds a provision to the standing order.

The CHAIRMAN: Those in favour of the amendment will kindly say, yea.

Some hon. MEMBERS: Yea.

Mr. KNOWLES: Before the vote is taken—

Some hon. MEMBERS: The vote has been taken.

Mr. KNOWLES: Before the vote is taken, in view of the fact that the more recent statements which have been made in the committee have been opposed—

Mr. McNEVIN: On a point of order, Mr. Chairman, I maintain that the question has been put.

Some hon. MEMBERS: No.

The CHAIRMAN: On the point of order, I may have been a little hasty in calling for the vote.

[Mr. Ralston.]

Mr. KNOWLES: As I started to say, in view of the fact that the more recent statements made this evening on this subject have been in opposition to the idea of compulsory voting, I feel that I should briefly state my view, which is on the other side. As a matter of fact, it seems to me that if this amendment should carry, the last state would be worse than the first; then we would find ourselves with a standing order stating specifically that hon. members were not obliged to vote. My fear is that, as a result, in the future there would be more abstention from voting than there has been in the past.

Mr. MACKENZIE (Vancouver Centre): We might not have a vote at all.

Mr. KNOWLES: As the Minister of Pensions and National Health interjects, there might be no vote at all. I see it in very simple terms. I was sent here by a constituency which has a population of some sixty or sixty-five thousand people. I am supposed to be a responsible person representing those people; I feel it my duty to give consideration to all matters that come to a vote in this house, and I feel I should be obliged to vote. I hope that the amendment will be defeated and that the main motion will carry.

While I am on my feet may I say that I shall oppose some of the other amendments that are to come before us just as vigorously as some hon. members are opposing this one. So far as this one is concerned, I feel that in the form in which the committee gave it to us it should be adopted.

Mr. GRAHAM: I am still a bit puzzled as to the point of order. As I understand the position at present, this matter is before the committee as a result of the motion of the Prime Minister that the Speaker leave the Chair for the house to go into committee to consider a report from a special committee. If that is the case I ask for your ruling, Mr. Chairman. I may be wrong in this, but it would appear to me that the extent to which we can go is either to reject that portion of the report we are dealing with or to refer it back to the committee with appropriate recommendations. If my understanding of the matter is correct, this committee has no power of its own volition to amend a committee's report that is before us in the manner in which this report is before the committee. I want a ruling on that point of order.

The CHAIRMAN: I did not clearly catch the point the hon. member was making. There is quite a bit of murmuring around me.

Mr. GRAHAM: My point of order is this. The particular matter we are discussing comes before the committee as a result of a motion of the Prime Minister that Mr. Speaker leave the Chair to permit us to go into committee to consider this report from a special committee. Has a member of this committee the right to do more than reject, to vote against the recommendations of that committee, or to move that the report be referred back to the committee for further consideration?

The CHAIRMAN: The report could be amended.

Mr. POULIOT: This is exactly what has happened before. The hon. gentleman's question refers to the proposed subamendment to standing order 9. It is exactly the same as before, when I moved to dispense with the preamble or introduction or prologue contained in the first three pages. I was told it was not before the committee; but whether any motion is made by any member of this house, whether he is Prime Minister or a backbencher, makes no difference. The committee has the right to reshape it as it sees fit. It is the rule of the majority that governs in spite of what is said in this pamphlet—may I call it that—about the rights of minorities. I am ready to submit to the rule of the majority, the majority of this committee, and I am not bound by what has been decided by a special committee. They were appointed to report to us and they have reported to us. Are we or are we not satisfied? If we are not satisfied we have a right to tell them so. We can accept what they recommend to us or we can reject or change it. We have that right and that is done by the majority. That is why I appeal to the majority of the committee to get rid of the report, not to hear any more about it, because these changes would not improve the debates in the house, but would be a source of trouble and would deprive members of the rights they have. When I think of what the hon. gentleman has said, it is a matter of great concern to all of us at the present time. It is suggested by the subamendment that members shall not be obliged to vote. That is right. But there is something else. It is the basis of that recommendation, which is the three first pages, these invisible pages, which we cannot get rid of because they do not seem to be before us. If they are the basis of the report, then they are not only the basis of this subamendment, but they are the basis of each one of the subamendments and can be discussed on each one of the subamendments. Is it not better to get rid of it right away? To show how wrong the basis was for each one of the subsequent amendments, we might as well dispense with it right away by unanimous consent and say that it is made clear that these three pages are not before the Chair at the present time.

Mr. CHURCH: After to-day's debate, Mr. Chairman, I suggest that we leave the rules alone until the rules of Hitler are beaten.

Mr. MacINNIS: I was going to suggest that the amendment is out of order since it is a direct negative, but in view of the fact that you have accepted it, Mr. Chairman, and said that it is in order, all I can say is that it is about as crazy an amendment as I have ever heard of, because we are sent to this house to carry on the business of the country; the business of the country is decided by the votes of the members and all that the amendment says is that although we are sent here to carry on the affairs of the nation, we need not do so when we come here.

Mr. MACKENZIE (Vancouver Centre): A *reductio ad absurdum*.

Mr. MacINNIS: What I was going to say might not be parliamentary, but we have here a good demonstration of about as nice a filibuster as I have seen in a long time to prevent anything being done.

Mr. WOOD: I feel it would be my duty to vote against this amendment. We have frowned upon the apathy of the public in not registering their votes, and it would be a good example to the public if they could say that even members of parliament are not obliged to vote. In consequence of that I am going to vote against the amendment.

Mr. CRUICKSHANK: Call it eleven o'clock.

Progress reported.

At eleven o'clock the house adjourned until Thursday at three o'clock p.m., pursuant to special order made Monday, February 21, 1944.

Thursday, April 27 1944

The house met at three o'clock.

REPORTS OF COMMITTEES

CONCURRENCE IN SECOND REPORT OF SPECIAL COMMITTEE ON RADIO BROADCASTING

Mr. J. J. McCANN (Renfrew South) presented the second report of the special committee on radio broadcasting, and moved that the report be concurred in.

Motion agreed to.

CONCURRENCE IN FIRST REPORT OF COMMITTEE ON PUBLIC ACCOUNTS

Mr. W. A. FRASER (Northumberland) presented the first report of the standing committe on public accounts, and moved that the report be concurred in.

Motion agreed to.

GRAIN

STATEMENT RESPECTING GOVERNMENT MARKETING AND PRICE POLICY

Hon. J. A. MacKINNON (Minister of Trade and Commerce): Mr. Speaker, I desire at this time to make a brief statement in connection with some aspects of the 1944-45 grain policy.

The house will recall that last September a major change was made in wheat policy and a basis was established, effective until July 31, 1945, which of course includes the full crop year 1944-45. At that time the fixed initial price of wheat was increased to $1.25 per bushel for No. 1 northern wheat in store, Fort William, Port Arthur or Vancouver. This fixed initial price will be in effect for the coming crop year.

In regard to the wheat policy for 1944-45, the government has yet to determine the quantity of wheat which will be marketable in that crop year. Members will recall that for 1943-44 the limitation was first placed at fourteen bushels per authorized acre and was later increased to eighteen bushels per authorized acre—the understanding being that about 280,000,000 bushels of wheat would be marketable in western Canada during the present crop year.

The government is not prepared at the moment to state the exact quantity of wheat which will be marketable in the coming crop year, owing to the uncertainties of the growing crop and uncertainty in respect to the volume of transportation which will be available for the movement of grains in 1944-45. In establishing the basis of marketings for the coming crop year, which will be announced at a later date, the government will take into account probable domestic and export demand in 1944-45 as well as the volume of grain which the railroads and elevators can handle during the crop year.

I can say at this time that the demand for grain both in Canada and for export is now running at very high levels and that the volume of wheat which will be marketable in 1944-45 will be considerably larger than the limitation in effect during the past two crop years.

I might refer briefly to the present grain position. Accumulated stocks of wheat are moving rapidly into consumption here and abroad and the main problem to-day is meeting demand with the transportation which is available for the movement of grain. It is estimated that the carry-over of wheat next July will amount to about 330,000,000 bushels as compared to over 600,000,000 bushels last July. Given adequate transportation the crop year 1944-45 will see our wheat stocks reduced to a nominal figure. Oats and barley are in good demand and there will be no difficulty in disposing of surpluses from the 1944 crop. The expansion in the acreage seeded to these grains in recent years has been more than justified by marketings and the Department of Agriculture is urging that seeding of at least as great an acreage as in 1944.

The government's policy in regard to oats and barley for 1944-45 will be the same as in 1943-44. Minimum prices for these grains will be guaranteed on the same basis as in 1943-44. Equalization funds will again operate and the government will make advance payments free from the equalization funds at the time of delivery. The advance payments are ten cents per bushel for oats and fifteen cents per bushel for barley.

The government has already announced that there will be a guaranteed price for flax of $2.75 per bushel for No. 1 CW flax, basis in store Fort William and Port Arthur or Vancouver. This represents an increase of twenty-five cents per bushel over the guaranteed price in effect in 1943-44.

Respecting sunflower seed and rape seed the government's policy for the 1944-45 crop year is to continue in effect the prices for these seeds established for the 1943-44 season. That is to say, the Canadian wheat board will be authorized to pay five cents per pound for sunflower seed and six cents per pound for rape seed, delivered f.o.b. shipping points to be designated by the board for the top grades.

Mr. DONNELLY: The minister mentioned a quota for wheat of eighteen bushels per acre. Can he tell us the quotas for oats and barley?

Mr. MacKINNON (Edmonton West): At the present time the quotas are open.

Mr. PERLEY: The minister has announced prices for all grains for 1944. Does that mean that this is to take the place of the proposed bill to establish floor prices?

Mr. MacKINNON (Edmonton West): This has nothing to do with the legislation concerning floor prices which will be introduced by the Minister of Agriculture.

Mr. WRIGHT: Has the government considered increasing the premium on malting barley?

Mr. MacKINNON (Edmonton West): There is nothing on that point to be announced now.

Mr. DOUGLAS (Weyburn): How soon does the minister expect to be able to announce what the actual quota will be for the 1944-45 crop?

Mr. MacKINNON (Edmonton West): That matter has been the subject of a great deal of consideration, and it is receiving consideration at the present time. I cannot say now just when any definite announcement will be made.

Mr. DOUGLAS (Weyburn): The quota will naturally affect the amount of grain which the farmer will want to store.

QUESTIONS

(Questions answered orally are indicated by an asterisk)

INCOME TAX OFFICES

Mr. FRASER (Peterborough West):

1. How many income tax offices are there in Canada?
2. Where are they located?
3. How many employees are there in each of these offices?
4. How many employees are there in the main office in Ottawa?
5. What was the total salary of all these employees in 1943?
6. What was the total amount of income tax collected in 1943?

Mr. GIBSON:

1. Nineteen district offices; six sub-offices.

2. and 3.:

Halifax	173
Charlottetown	27
Saint John	105
Quebec	157
Montreal	933
Ottawa	482
Kingston	39
Belleville	52
Toronto	800
Hamilton	476
Sub-offices of:	
Brantford	5
Kitchener	6
St. Catharines	4
London	244
Sub-offices of:	
Stratford	2
Windsor	5
Fort William	47
Winnipeg	305
Regina	91
Saskatoon	69
Calgary	120
Edmonton	75
Vancouver	512
Sub-office of:	
Victoria	12
Dawson	2

4. 382.

5. Calendar year 1943 — $6,232,608.27.

6. Fiscal year 1943-44 — $1,635,494,706.37.

MILITARY DISTRICT NO. 3

Mr. DORION:

1. What territory comprises military district No. 3?
2. What counties of the provinces of Quebec and Ontario are included in such military district?
3. What is the population of each of such counties?

Mr. MACDONALD (Halifax):

1, 2 and 3:	Population according to the 1941 census
In the province of Ontario	
County	
Carleton	202,520
Frontenac	53,717
Haliburton	6,695
Hastings	63,322
Lanark	33,143
Leeds and Grenville	52,031
Lennox and Addington	18,469
Northumberland and Durham	56,001
Peterborough	47,392
Prescott and Russell	42,709
Prince Edward	16,750
Renfrew	54,720
Stormont	40,905
Dundas and Glengarry	34,742
Victoria	25,934
That portion of the district of Nipissing lying south of the Mattawa river (exclusive of the townships of Ferris and Bonfield and inclusive of the town of Mattawa)	4,813
In the province of Quebec	
The area comprising the county, city and town municipalities as they existed on the first day of April, 1939, as follows:	
County	
Gatineau	29,754
Hull	41,434
Pontiac and Temiscamingue	60,323
City	
Hull	32,947
Town	
Aylmer	3,115
Mercier (annexed to Rouyn town April 28, 1939)	
Noranda	4,576
Rouyn	8,808
Temiscamingue	2,168

CHRISTIE STREET HOSPITAL

Mr. WHITE:

1. What is the total bed capacity at Christie street hospital, (a) for officers; (b) for other ranks; (c) for women?

2. What is the largest number of patients at one time in the hospital since September, 1939?

3. How many patients from the war of 1914-18 are now at this hospital?

4. What is the total permanent staff, (a) medical officers; (b) graduate nurses; (c) nurses in training; (d) orderlies; (e) administrative staff; (f) other members of staff?

5. Is there a temporary staff? If so, how many are on the temporary staff, and in what capacity?

Mr. MACKENZIE (Vancouver Centre):

1. (a), (b) and (c) The normal bed capacity, including the Red Chevron, is 1,370. No premises are specifically assigned for officers or women, but appropriate accommodation is provided as occasion demands.

2. 1,151.

3. 304.

4. (a) full time, 15; part time, 9; (b) 36; (c) nil; (d) 59; (e) 14; (f) 45.

5. (a) full time, 8; part time, 10; (b) 115; (c) nil; (d) 137; (e) 28; (f) 141. Classified as in 4.

Note.—The terms "permanent" and "temporary," as applicable to answers 4 and 5, are given the same meaning as in the civil service regulations.

WEATHER ANNOUNCEMENTS—NEW BRUNSWICK

Mr. HATFIELD:

1. Are the restrictions regarding announcing the weather still in effect in New Brunswick?

2. If so, why?

Mr. LaFLECHE:

1. They are still in effect.

2. Because this information would be of benefit to the enemy.

EXPORTS OF SPRUCE AND POPLAR PULPWOOD

Mr. HATFIELD:

1. What quantity of spruce and poplar pulpwood was exported from the province of Ontario to the United States during the years 1942, 1943 and 1944?

2. At what price per cord was this wood sold?

Mr. CHEVRIER:

1. Pulpwood originating in Ontario and exported to the United States was as follows:

[Mr. W. C. MacDonald.]

	Calendar Year		To Mar. 31,
	1942	1943	1944
Spruce (rough cords)...	636,278	491,039	29,198
Poplar (rough cords)...	155,112	129,367	28,137
Jack pine (rough cords)...	125,915	34,030	2,453
	917,305	654,436	59,788

2. This information is not available. The prices paid by United States customers for Ontario pulpwood are not covered by Canadian price ceiling regulations and are the result of negotiations between the supplier and the purchaser.

AIR RAID PRECAUTIONS—NEW BRUNSWICK

Mr. HATFIELD:

1. Does the A.R.P. still function in New Brunswick?

2. If so, who is the director in New Brunswick?

3. How many blackouts were ordered in New Brunswick in 1943-44?

4. By whom were the blackouts ordered?

5. What was the cost of A.R.P. in New Brunswick, M.D. No. 7?

Mr. MACKENZIE (Vancouver Centre):

1. Yes.

2. The chairman of the provincial civil defence (A.R.P.) committee of New Brunswick is Hon. J. B. McNair, K.C., premier and attorney-general of the province. The director of civil defence for New Brunswick is D. L. Maclaren, Esq., Saint John, N.B.

3. Two province-wide and twenty-seven local or area blackouts.

4. By the chairman of the provincial civil defence (A.R.P.) committee, under powers delegated to him by the Minister of Pensions and National Health under authority of regulation 35, defence of Canada regulations.

5. The cost to the dominion government of A.R.P. in New Brunswick during the fiscal year 1943-44 was as follows: Cash grant to province to meet costs of administration of civil defence (A.R.P.), $39,210.

Special equipment and supplies (including fire-fighting equipment, medical and first aid equipment and supplies, anti-gas protective clothing and equipment, and personal equipment for civil defence workers), the estimated total cost of which is $103,193.40, was issued on loan to the New Brunswick provincial civil defence committee for re-issue on loan to local civil defence committees in municipalities and

districts in which civil defence organizations have been established. This equipment remains the property of the dominion government and is subject to recall.

PARK STEAMSHIPS COMPANY—CARGO SHIPS

Mr. REID:

1. How many cargo ships have been turned over to the Park Steamships Company Limited?
2. How many of these have been given out to charter?
3. What companies, individuals or firms have been allowed to charter these cargo ships, and what number have been given to each individual, company or firm?
4. What sums of moneys have been paid up to the present time to the various charterers for the general supervision of these vessels?

Mr. CHEVRIER:

1. 75.

2. 16.

3. One tanker to McColl Frontenac Oil Company; one tanker to British American Oil; three tankers to Shell Oil; nine tankers to Imperial Oil; two 10,000 ton dry cargo ships under charter to Transport Controller.

4. The following amounts have been paid to firms acting as manager operators for the Park Steamships Company:

$ 20,919.41—Anglo-Canadian Shipping Company Limited
3,171.57—Canadian Shipping Company, Limited
163,379.37—Canadian Australasian Line Limited
71,733.07—Canadian National Steamships Limited
54,425.30—Canadian Pacific Steamships Limited
13,766.25—Constantine Steamship Line Limited
26,936.16—Cunard White Star
24,334.12—Canadian Transport Company Limited
18,478.31—Donaldson Line
51,883.70—Elder Dempster Lines Limited
20,254.05—Empire Shipping Company Limited
59,143.56—Furness-Withy & Company Limited
2,692.12—Furness (Pacific) Limited
23,818.57—Imperial Oil Limited
91,507.54—McLean-Kennedy Limited
3,500.00—Montreal Shipping Company Limited
16,870.73—North Pacific Shipping Company Limited
12,440.86—Pickford and Black
3,276.37—Seaboard Shipping Company Limited
3,187.49—Shell Canadian Tankers Limited
4,250.00—Shipping Limited
11,305.51—Union Steamships Limited

TROOPS RETURNING FROM OVERSEAS

Mr. CHURCH:

1. What is being done within Canada to notify in advance next-of-kin of the arrival home of wounded soldiers and those on leave from overseas?
2. Will some change be made in the "troop movement rule" now existing to enable next-of-kin to meet them at the station on arival home, as in the last war?
3. Are arrangements being considered for the loan of military bands at depot, and any available motor vehicles to aid civil power taking them home on arrival?

Mr. MACDONALD (Halifax): I referred the hon. member for Broadview to answers which had been made by the Minister of National Defence to similar questions. Therefore, I ask that his question be dropped.

Question dropped.

SOLDIER SETTLEMENT BOARD—KENNETH ZINCK

Mr. BLACK (Cumberland):

1. Is Mr. Kenneth Zinck, formerly of Lunenburg, Nova Scotia, employed by the government or by the soldiers' settlement board, with office at Kentville, Nova Scotia?
2. If so, (a) for what period was he employed; (b) what is his yearly salary; (c) what were his expenses to March 31, 1944; (d) what duties does he perform; (e) what are his qualifications; (f) by whom was he recommended?

Mr. CRERAR:

1. Yes, employed by Soldier Settlement and Veterans' Land Act.

2. (a) Appointed April 3, 1944.

(b) $1,620 per annum, plus $221.04 cost of living bonus.

(c) Nil; answered by (a).

(d) Field supervision of settlers in a designated area; collections; leases; investigations and reports as required.

(e) Long practical farming experience; experience as land appraiser with Canadian Farm Loan Board; qualified veterinary; returned soldier war 1914-18.

(f) Appointed through Civil Service Commission eligible list following advertisement of position and competitive examination.

R.C.A.F.—WOMEN'S DIVISION—TUNICS

Mr. LACOMBE:

1. Were certain tunics for the members of the women's division of the Royal Canadian Air Force discarded since the declaration of war?
2. If so, when, and why?
3. What is the quantity of such tunics, and the cost of each?
4. Who was awarded the contract for the manufacturing of such tunics?
5. What amount has been paid to such contractor by the government, to date?

6. Were such tunics subsequently used by one or several cadet corps of the Royal Canadian Air Force?
7. If so, why?
8. Were the contractors ordered to refund to the government the money and material losses suffered by the government in connection with these tunics?
9. In these tunics were there any manufacturing defects which rendered them unfit for use by the Canadian air force women?
10. If so, what were such defects?

Mr. MACMILLAN:

1. No. The design of the uniform was changed but all tunics of the old design are still being issued for station wear. Each airwoman is issued with two blue uniforms. Since the change in design, one of old design, and one new has been issued. The old design is for station use, the new for walking out.

No uniforms have been discarded except after full period of wear.

2, 3, 4, 5, 6, 7, 8, 9 and 10. Not applicable.

LIEUT.-COLONEL GRAHAM ELLIOTT

Mr. POULIOT:

1. Is it to the knowledge of the government that Lieut.-Colonel Graham Elliott, chief instructor at A-21, C.O.C.T.C., Barriefield, from the spring of 1943 to the following November, has said publicly and repeatedly at Barriefield: "This government (meaning the dominion government) is rotten. We should have conscription"?
2. Was he ever on any theatre of war and, if so, where, and how long?
3. Did he come from the war office?
4. Where is he now?
5. Are officers in His Majesty's forces in Canada allowed to use such language as mentioned in No. 1?

Mr. MACDONALD (Halifax):

1. No.

2. Record not available.

3. Lt.-Col. A. G. Elliott is an officer of the British army on loan to the Canadian army as an instructor.

4. In the United Kingdom acting as chief instructor at No. 1 Canadian ordnance reinforcement unit.

5. Officers are not debarred from expressing their personal opinions on public matters in private conversations.

HOUSING—TORONTO

Mr. CHURCH:

1. Did the government receive a deputation of the mayor, controllers and aldermen of Toronto this week regarding the housing situation?
2. What action will be taken to provide houses in Toronto for, (a) soldiers' families; (b) civilians?
3. What reply was given to the deputation, and will any action on their request be announced, and when?

[Mr. Lacombe.]

Mr. ABBOTT:

1. Yes.

2 and 3. The following letter signed by the Minister of Finance was sent to the mayor of Toronto:

"The city clerk's letter of April 19, 1944, transmitting the text of a resolution of the Toronto board of control, as well as the supplementary representations made to me and to my colleague, Mr. Howe, have been carefully considered.

I must advise you that the government has come to the conclusion that no change can be made in the policy announced nearly a month ago and reiterated on several recent occasions. As indicated in the previous statements referred to, the government feels that the wartime prices and trade board has gone to the limit in imposing restrictions on the ordinary rights of an owner to obtain possession of his property.

Dealing with the specific proposal contained in the resolution adopted by the board of control, this proposal would place upon the wartime prices and trade board a responsibility which it should not assume and which it is not equipped to discharge.

Moreover, I question whether any county court judge should be asked to decide as to the respective needs of landlord and tenant in particular instances, and I would fear that the enactment of an order in council such as has been suggested would result in the courts being overburdened with applications by tenants—some good, some bad—which it would be quite impossible to dispose of within the period contemplated in the resolution.

As to the other recommendations contained in the resolution concerning the provision of low-cost housing, while this does not affect the immediate problem of possible evictions on May 1, these recommendations are being given most careful consideration."

QUESTIONS PASSED AS ORDERS FOR RETURNS

NATURALIZATION

Mr. HANSELL:

1. How many persons have been naturalized since the commencement of hostilities?
2. What was their nationality, and the number of each?

Mr. McLARTY: Return tabled.

NUMBER OF MEN REQUIRED FOR MILITARY TRAINING

Mr. DORION:

1. Has the Minister of National Defence, since the 4th March, 1944, reported to the Minister of Labour that a definite number of men were required for military training?

2. If so, (a) at what date was this information supplied; (b) what did such information contain?

Mr. MACDONALD (Halifax): Return tabled.

REHABILITATION GRANT TO OFFICERS ON DISCHARGE

Mr. WHITE:

1. What is the present amount of the rehabilitation grant paid to officers on discharge?
2. Is this grant subject to income tax?

PACIFIC COMMUNICATIONS PROGRAMME

Mr. KNOWLES:

1. What government department was responsible for the building of the communication lines of the Pacific communications programme, including the telegraph (repeater) stations and the dwellings or living quarters provided for personnel operating the same?
2. Who pays the wages of those operating the Pacific communications programme repeater stations?
3. Who supplies fuel, light and water for these stations?
4. What rent, if any, is paid for living quarters at these stations, (a) to whom; (b) by whom?
5. What amount per month do employees of Canadian National Telegraphs pay for living quarters provided by the system, and are such employees required to pay any additional amount for fuel?

Mr. MACMILLAN: Return tabled.

SAINT PAUL L'ERMITE MUNITIONS PLANT

Mr. RAYMOND:

1. At what date did the government expropriate the lands required for the construction of the munition plant at Saint Paul l'Ermite?
2. How many parcels of land have been expropriated for the construction of the munition plant at Saint Paul l'Ermite?
3. How many owners have been affected by such expropriation?
4. How many persons have been awarded compensation as a result of such expropriation?
5. How many persons have not yet been awarded any compensation as a result of such expropriation; (a) what are their names; (b) for what reasons?

AIR HOSPITAL AMBULANCES

Mr. CHURCH:

What has been done to provide hospital ambulances by air in Canada to transport those injured in training of the forces to proper hospitals where necessary, since the matter was raised in the house in 1942 and 1943 on the war appropriation bill?

Mr. MACMILLAN: Return tabled.

POST OFFICE—TEMPORARY EMPLOYMENT DURING CHRISTMAS HOLIDAYS

Mr. LACOMBE:

1. How many temporary employees, residing in the county of Laval-Two Mountains, were employed by the Post Office Department during the Christmas holidays, in the month of December, 1942 and 1943, and the month of January, 1943 and 1944?
2. What are the names and places of residence, in the county of Laval-Two Mountains, of such temporary employees?
3. Were these temporary employees recommended by someone, and if so, by whom?
4. Have postcards been mailed by the Post Office Department, Montreal division, to applicants for temporary employment during the Christmas holidays?
5. If so, by whom were these postcards sent and signed?
6. What was the complete text appearing on such postcards?

PRODUCTION OF ICE CREAM—SUGAR AND GELATINE

Mr. SENN:

1. What was the total quantity, in gallons, of ice cream produced in 1943?
2. What amount of, (a) sugar; (b) butterfat; (c) gelatine, was used in the manufacture of ice cream during the year 1943?
3. Is sugar and gelatine used in the production of glycerine and explosives?

COAL USED IN GOVERNMENT BUILDINGS OR FACTORIES

Mr. HANSELL:

1. How much coal was used in government buildings or factories during the years 1940 to 1943 inclusive?
2. What portion of this coal was mined in Canada?

BARRIEFIELD MILITARY TRAINING CENTRE

Mr. POULIOT:

1. On each one of the following dates, September 1, 1942, August 1, 1943, and April 24, 1944, what was the total number of French-speaking, (a) men; (b) n.c.o.s, and (c) officers at A-21, C.O.C.T.C., Barriefield, Ont.?
2. What were the rank and duties of the said n.c.o.s and officers on each one of the above-mentioned dates?
3. What was the total number of, (a) officers; (b) n.c.o.s, and (c) men at that training centre on each one of the above-mentioned dates?
4. Who were, (a) the commanding officers; (b) the second in command; (c) the chief instructor, and (d) the senior French instructor, if any, of that training centre since September 1, 1942, and for what period?
5. What were, (a) the birthplace; (b) age; (c) military record of the officers referred to in No. 4, and (d) what was the technical experience of the chief instructors and of the senior French instructor?
6. Was the said commanding officer absent from that training centre in 1943, and if so, from when to when?
7. Who was the chief instructor during that period?
8. Did the said chief instructor recommend one or several new establishments, and if so, (a) what were they, and (b) upon what grounds did he recommend them?
9. Were such new establishments approved and ordered by the G.H.Q.?
10. If so, was the minister, or the associate minister, or an acting minister in charge of the

Department of National Defence when the said new establishments were, (a) approved, and (b) ordered?

11. On each one of the dates referred to in No. 1, how many men, and how many French-speaking men were assigned to G.D. and that training centre?

12. What was done for the coordination of technical courses in French at that centre since September, 1942?

Mr. MACDONALD (Halifax): This will be subject to the usual reservations as to the disclosure of confidential information.

MEMBERS OF PARLIAMENT TRAVELLING OUTSIDE CANADA

Mr. ROY:

1. Since 1936, did any members of the House of Commons (ministers of the crown excepted) travel outside of Canada at the expense of the government?

2. If so, (a) what are their names; (b) at what dates, and on what occasions; (c) what were the duties or mission of each; (d) what was the amount of expenses incurred and paid for each of them?

POSTAL CENSORSHIP

Mr. RAYMOND:

1. What persons are employed in the postal censorship department?

2. What is their country of origin?

3. How long have they resided in Canada?

4. How long have they been employed in postal censorship?

5. What are their respective salaries?

CANADIAN ARMY—OFFICERS RETURNED FROM OVERSEAS

Mr. HAZEN:

1. How many officers serving in the Canadian army overseas have been returned to Canada with a recommendation that they be discharged and not further employed, or with a recommendation of a similar nature?

2. What was the rank of each of these officers?

3. On what grounds were these recommendations made, and how many officers have been returned on each of these grounds?

4. In how many cases have the recommendations been acted upon?

TEST DRILLINGS FOR OIL

Mr. HAZEN:

1. Has the government provided financial assistance to persons or companies to aid them in carrying on geological surveys or test drillings for oil?

2. If so, in what provinces are surveys and test drillings being made; what persons or companies are doing the work; what are the terms of the agreements under which the work is being done; how much has been paid to each of these persons or companies to date?

3. In what areas, if any, have the surveys and drillings been completed, and what have been the results in these cases?

[Mr. Pouliot.]

DUNDURN MILITARY CAMP

Mr. BENCE:

1. What officers who were stationed at Dundurn military camp on January 1, 1944, are being retired from the armed services?

2. Why are they being so retired?

3. What are the ages of such officers, and how long has each been a member of the armed services in this war?

4. Which of said officers were engaged in the armed services of Canada or her allies in the war of 1914-18?

5. Have such officers been replaced, and what are the names, ranks and ages of such replacement officers?

6. Which of such replacement officers have served overseas in this war?

7. Which of such replacement officers were overseas in the war of 1914-18?

NAVY AND AIR FORCE PERSONNEL RETURNING FROM OVERSEAS—REGULATIONS AS TO REPORTING

Mr. CHURCH:

1. Are the members of the Royal Canadian Air Force and of the Royal Canadian Navy arriving on leave in Canada or discharged from overseas allowed to go direct to their homes without first reporting at Ottawa?

2. What are the rules of these two services in this connection?

ALLOWANCES TO EX-SERVICE MEN

Mr. CHURCH:

1. What is being done on this the forty-seventh day of the session as to increase allowances for civilian clothing of ex-service men honourably discharged from the forces after serving overseas, for soldiers, sailors and airmen, beyond $65?

2. What amount of cash in addition to a grant for clothing is given to them?

ROBERT MITCHELL PLANT, SAINT LAURENT, QUE.

Mr. RAYMOND:

1. On the 1st March, 1944, who were the male employees appointed to inspect production at the Robert Mitchell plant, Saint Laurent, Quebec, on behalf of the inspection board of United Kingdom and Canada?

2. On the 1st April, 1944, who were the male employees appointed to inspect production at the Robert Mitchell plant, Saint Laurent, Quebec, on behalf of the inspection board of United Kingdom and Canada?

3. From the 1st March to the 1st April, 1944, did the general controller of the inspection board of United Kingdom and Canada, or his representative in Montreal, dismiss male employees appointed to inspect production at the Robert Mitchell plant, Saint Laurent, Quebec?

4. If so, (a) at what date were any or all such male employees dismissed; (b) have any or all such dismissals taken place following complaints received or made to the knowledge of the general controller or his representative in Montreal on the ground of misconduct; (c) if any of such employees have been dismissed for misconduct, what are these acts of misconduct; (d) what are the names of the dismissed employees, and their address?

HOUSING

SITUATION IN TORONTO AND ELSEWHERE—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 31

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I desire to ask leave to move, seconded by the hon. member for Davenport (Mr. MacNicol), the adjournment of the house to discuss a definite matter of urgent public importance, namely, the urgent need of houses in the city of Toronto and other places in Canada and for the purpose of calling the attention of the government to the urgent need of immediate emergency measures relating thereto.

Mr. SPEAKER: Under standing order 31 a member has leave to make a motion for the adjournment of the house after the ordinary daily routine of business has been concluded and before notices of motions or orders of the day are entered upon. The ordinary daily routine of business has been concluded and we are now on another order—questions. The hon. member will have to present his motion on another occasion, since we have passed the stage where a motion for leave to adjourn the house can be made.

Mr. CHURCH: With great respect I would point out to Your Honour that there has been no substantive motion made in the house this session on the question of housing. Questions have been asked, and all that, but there has been no substantive motion moved on the subject.

Mr. SPEAKER: Standing order 31 reads as follows:

> Leave to make a motion for the adjournment of the house (when made for the purpose of discussing a definite matter of urgent public importance) must be asked after the ordinary daily routine of business (standing order 15) has been concluded and before notices of motions or orders of the day are entered upon.

We have already concluded routine proceedings and are dealing with questions.

Mr. CHURCH: I understand that such a motion can be made up to the time the orders of the day are called.

Mr. SPEAKER: Routine proceedings under standing order 15, which is referred to in standing order 31, are dealt with in standing order 15 as follows:

> (1) Mr. Speaker shall read prayers every day at the meeting of the house before any business is entered upon.
>
> (2) The ordinary daily routine of business in the house shall be as follows:
>
> Presenting reports by standing and special committees.
>
> Introduction of bills.
>
> First readings of Senate bills.
>
> (3) The order of business for the consideration of the house, day by day, after the daily routine, shall be as follows:

Then follows the business with which the house may deal.

Mr. CHURCH: This morning I gave notice of my motion to Your Honour and to the acting head of the government and the leader of the opposition and others. As I read the rules, Mr. Speaker, a motion of this kind can be made after the daily routine of business has been concluded and before the orders of the day are called.

Mr. SPEAKER: If the hon. member will look further at what business can be taken up after routine proceedings on Thursday, private members' day, he will find, at page 7, "Questions." We dealt with questions after the routine proceedings had been completed. I am sorry, but the hon. member will have to present his motion on another day.

Mr. GORDON GRAYDON (Leader of the Opposition): Mr. Speaker, may I make one observation with the consent of Your Honour? This is a matter of urgent importance—

Some hon. MEMBERS: Order.

Mr. GRAYDON: I do not want to have to call for the protection of the Speaker, whose consent I received to make an observation. I do not want to be interrupted. I will sit down for the Speaker but for no one else.

Mr. SPEAKER: The position I have to take is in conformity with the standing orders. But when the leader of the opposition wishes to make an observation with regard to what I have said, I am always glad to listen to him because I do not want to do any injustice. In the circumstances there can be no question as to what our standing orders and routine proceedings are, and the fact that the hon. member for Broadview omitted to notice what is stated by standing order 31—

Mr. GRAYDON: I will bow to your ruling, Mr. Speaker, if I cannot say another thing, but the one thing I wanted to bring to your attention, and which I think should be brought to your attention at this time—

Mr. CHURCH: May I ask what your ruling is, Mr. Speaker? Have you ruled the motion out of order?

Mr. SPEAKER: I have ruled that the hon. member has not conformed to the standing orders of the house which I have read. Under standing order 31 a motion for the adjournment of the house can be made immediately after the routine proceedings of the house have been dealt with and before any other

matter of business has been entered upon. I therefore say that the hon. member is not in order.

Mr. CHURCH: I wish to appeal from your ruling, Mr. Speaker. I think there is an appeal under our procedure.

Mr. SPEAKER: I am afraid that I must take the position that I was not deciding a point of order. I was simply pointing out what the rules are. They are clearly set forth, and I think there can be no difficulty about that. I was not dealing with a point of order.

Mr. GRAYDON: Would the Speaker ask for the consent of the house for the motion to be made?

Mr. CHURCH: We wasted six hours discussing the rules of this house on Tuesday.

Mr. SPEAKER: There may be objection to the suggestion of the leader of the opposition. The remedy is for the hon. member for Broadview to present his motion to-morrow.

Mr. CHURCH: That ruling has never been given before since I have been in the house. It has always been possible to ask for leave to make a motion for the adjournment of the house on the orders of the day.

MONTREAL—INQUIRY WITH RESPECT TO USE OF BUNGALOWS FROM CLOSED AIR TRAINING CAMPS

On the orders of the day:

Mr. FRED ROSE (Cartier): Mr. Speaker, I wish to direct the following question to the Minister of Finance. In view of the government's refusal to freeze leases temporarily, would the minister consider the possibility of installing in Montreal and vicinity, bungalows from closed air training camps as a means of immediate alleviation of Montreal's housing crisis, pending the commencement of a low rental housing scheme?

Hon. J. L. ILSLEY (Minister of Finance): I am not sure whether the hon. member has directed his question to the Minister of National Defence or to myself. His question related to military bungalows, did it?

Mr. ROSE: That is right.

Mr. ILSLEY: I do not know whether it would be possible or not. I will have to bring the question to the attention of my colleague.

EVICTIONS ON MAY 1—POSSIBILITY OF STAY OF PROCEEDINGS

On the orders of the day:

Mr. T. L. CHURCH (Broadview): Out of the 1,155 families who must move on Monday, May 1, there will be many applications to the local county court judges for ejectment under the Overholding Tenancy Act. Will the Minister of Finance instruct the housing officials in Toronto, who will be summoned before the learned county court judges, to tell the judge that they have been asked to request a stay of proceedings for one month, as they can do?

Hon. J. L. ILSLEY Minister of Fnance): I could not give such an undertaking as that. It occurs to me if the city authorities wish to do that there is nothing to prevent them from doing so. I do not even say they should do it, but certainly it would be stepping well beyond our accustomed jurisdiction to make representations of the kind to any county court judge.

Mr. CHURCH: Could not the minister request his own officials there to act in the way I suggested? Could not he ask the Toronto federal housing officials summoned before the county court judge on these eviction notices to take the action I have suggested?

Mr. ILSLEY: No.

Mr. CHURCH: I should like an answer to the question. Could not the officials ask the judge for a month's delay?

Mr. ILSLEY: I answered the question the first time the hon. member asked it. As I suggested before, there is nothing to prevent the municipal authorities, who are more directly concerned with this matter, and who know the conditions, from making any representations they wish to the county court judges. In my judgment it certainly would not be appropriate for the officials of the housing administration at Ottawa to make such representations.

Mr. CHURCH: The housing officials here said the tenants were too choosy—"too choosy," when there are no houses left to be choosy about!

CANADIAN ARMY

QUESTIONNAIRE TO HOME DEFENCE TROOPS AS TO ATTESTATION FOR OVERSEAS SERVICE

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, I have before me a questionnaire in reference to which I wish to direct a question to the Minister of National Defence. This questionnaire is being circulated to-day among the various home defence units by officers apparently authorized by National Defence headquarters. In the questionnaire the various personnel are asked whether they will sign active, whether their family has been affected adversely or advantageously by the war, whether a civil job is held open for them

after the war, whether they would consider signing active if service guaranteed under French-speaking officers and N.C.O.'s, and whether they have any other reason for not signing active. The questions I desire to ask arise in connection with that questionnaire and also in connection with the statement made the other day by General Pearkes, V.C. Have instructions gone forth from National Defence headquarters that officers of the various units are to interview their personnel with a view to inducing or coercing them to enlist for overseas service? Have instructions been given to these officers to advise the men that unless fifty per cent of them are secured for active service, conscription for overseas service will be put into effect, and generally what is the situation with respect to reinforcements for the army overseas? These are matters which I think are urgent, having regard to recent statements that have been made.

Hon. J. L. RALSTON (Minister of National Defence): Mr. Speaker, I am not going to take the usual course and ask for time in which to answer the question asked by my hon. friend. This is the first I have heard of the questionnaire to which he refers. I have nothing to say with regard to the questionnaire; I presume it is being circulated by officers who desire to get that information, which I am sure would be very useful to the Department of National Defence.

The hon. member asks whether any instructions have gone forward for officers to interview personnel in the units with a view to inducing them or "coercing" them—I think that was the word he used—to enlist for overseas service, or with a view to threatening that if more than fifty per cent did not enlist for overseas service, conscription would be introduced. I want to say to my hon. friend and to the house that two or three weeks ago a meeting was held of the officers commanding the different districts for the purpose of discussing the matter of recruiting. The house knows, I presume—I have indicated this to the house previously—the sources from which overseas personnel come. They are the general service personnel in the units in Canada; the N.R.M.A. personnel in the units who may volunteer for general service; the general service personnel in the training centres, and those who are recruited from time to time. It was thought highly advisable that the army should do its duty with regard to the raising and maintaining of the volunteer army overseas of which Canada is exceedingly proud; and I have not heard anyone in this house or anywhere else suggest that the volunteer army was not a desirable thing. I have indicated repeatedly that I prefer a voluntary army, and I think most Canadians will agree with me. In that connection the army has its duty to maintain, if it can, that volunteer army; and for that purpose the army has engaged in recruiting activities for the last three years. The activities which are referred to or which are implied in the questionnaire to which my hon. friend has referred I presume are the result of the conferences which have been held. No such questionnaire was authorized in express terms, but I do not repudiate it, nor do I see anything whatever wrong in it. The same sort of questionnaire might well be circulated to anyone who was being asked to subscribe for victory bonds. Persuasion is being used in Canada at the present time by way of meetings, by bringing very prominent people here, by way generally of persuading people to subscribe their money for a good three per cent security. It seems to me that the army is not only entitled to see to it, but it is the duty of the army to see to it, that the needs of the volunteer army are put before the people of Canada in exactly the same way. That is being done and will be done; and when my hon. friend uses the word "coerce" he uses a word which is not only unauthorized but is totally unjustified in any shape or form.

Some hon. MEMBERS: No, no.

Mr. HANSON (York-Sunbury): There is plenty of coercion.

Mr. RALSTON: I want to say to my hon. friend that I know of no coercion. I do not desire to cast any reflection at all upon the war loan campaign, but I say to my hon. friend that I do not think any inducement or any effort is being put forward in connection with recruiting that is comparable to the effort being put forward by citizens of this country to endeavour to induce and persuade their fellow citizens to subscribe their money. I make no apology whatever for asking men to enlist in the service, and I deprecate more than I can say the attempt which has been made to disparage recruiting activities in Canada. There has been a constant effort to do that. Only the other day the suggestion was made that because a great soldier went out west and addressed the soldiers there, indicating what the needs of the army were and what had been his experiences overseas, he was being humiliated. No such suggestion is made when great people come here and tell us of the need for money, and try to influence us to buy bonds. That is regarded as in every way desirable; we attend these meetings and

rallies. But recruiting seems to be something which must be disparaged, and I can only think it must be because there is some sort of fetish on the part of some people for conscription. The objective is not to get men for the army; the objective is to get men, provided you get them by conscription; and I want to say that with these people it seems to be the method rather than the result which is important.

The army proposes to keep right straight on in connection with its recruiting activities. Right here and now I want to thank the citizens of this country who have helped so valiantly in connection with recruiting all over Canada, and I am going to ask those citizens to keep on, and not to be disconcerted in any way by the efforts which are being made in some quarters to suggest that recruiting activity is something in which it is unworthy to engage. That is all I have to say in answer to my hon. friend's question.

PRESS REPORT AS TO FORMATION OF VOLUNTEER BRIGADE OF 6TH DIVISION FOR OVERSEAS SERVICE

On the orders of the day:

Mr. H. C. GREEN (Vancouver South): On April 24 I directed a question to the Minister of National Defence which the minister will find at page 2283 of *Hansard*, and which reads as follows:

> Mr. Speaker, I should like to direct a question to the Department of National Defence. A Canadian Press dispatch from Vancouver, published in Ottawa this morning, states that an attempt is being made to raise a volunteer brigade from the troops of the 6th division, which is composed largely of home defence troops, and that this brigade is to be sent to one of the fighting fronts. The Minister of National Defence (Mr. Ralston) is out of the city to-day, I understand, but I would ask that the house be given a statement in regard to this matter to-morrow.

In reply to that question the Minister of National Defence for Air (Mr. Power) said:

> We will take the question as a notice, Mr. Speaker, and I will advise the Minister of National Defence.

Could the minister make a statement to-day in reply to that question?

Hon. J. L. RALSTON (Minister of National Defence): Certainly. This question is along the same lines as the question to which I replied a few moments ago. In connection with the army's activities with respect to a volunteer army, I have told the house repeatedly that from time to time we withdraw general service personnel from the units in Canada in order that they may go overseas. In this particular instance the general officer commanding out west suggested that instead of withdrawing the general service personnel from the units and sending them overseas, it might be possible that quite a number of N.R.M.A. men in the units would volunteer if the unit could go overseas as such, without any undertaking that the unit would be preserved as a unit after getting overseas. That matter was taken up and discussed, with the result that the general officer commanding, General Pearkes, V.C., and his officers undertook to put the matter before the men of the units. The result was that in the particular units themselves, in which were included something like 2,700 N.R.M.A. men, some twenty-six per cent, or more than 700 N.R.M.A. men volunteered. In addition, about 400 N.R.M.A. soldiers, from other units in the Pacific command, volunteered, making about 1,100 N.R.M.A. personnel who volunteered in that way.

Mr. HANSON (York-Sunbury): Over what period?

Mr. RALSTON: Oh, I would say two or three weeks, or something like that; just a very short time. The result is that a certain number of these units will proceed overseas as units. I may add that as time goes on other units will be selected along similar lines as and when the situation permits.

Mr. CHURCH: Do I understand the minister to indicate that it is not now necessary to pass such an order in council?

Mr. RALSTON: I am indicating to my hon. friend that what we are doing is getting volunteers along the lines which I have suggested, and in addition to that I may say that about 3,000 men a month are volunteering. That is in addition to the men who are on general service personnel who are being withdrawn. I hope my hon. friend will not be disappointed at that.

Mr. GREEN: Arising out of the statement made by the minister in answer to my question, are we to take it that there has been a change with regard to the policy of sending units overseas? The minister said on February 14, as reported at page 462 of *Hansard:*

> Canada has reached the peak so far as the sending of new capital units overseas is concerned. A year ago we took that stand, and that policy was endorsed by this house. The suggestion has been made to me that I am simply crazy to build up the army, that the army overseas is big enough now.

I take it from the statement to-day that the policy is being changed. May I also ask

whether there is any question of a change in the general policy of the government with regard to the use of men called up under the National Resources Mobilization Act? I ask that question because General Pearkes, in his statement to the troops at Vernon, is quoted in press dispatches of April 21 as using these words:

The decision has been reached by the government—

Some hon. MEMBERS: Order.

Mr. SPEAKER: I think the hon. member has laid a sufficient foundation for his question to enable the minister to give an answer.

Mr. GREEN: It is simply a matter of completing the question.

Mr. RALSTON: It is not a supplementary question, but I will answer it. My hon. friend asks whether or not there is any change in policy with regard to what I said on February 14 in reference to the increasing of the size of the army overseas. The expression which the hon. gentleman read to me was that we had reached the peak so far as sending units overseas is concerned.

An hon. MEMBER: Tactical units.

Mr. RALSTON: Perhaps that is unfortunately put—

Mr. GREEN: Capital units.

Mr. RALSTON: —but he will see from the context later that what I was leading up to was that it was not expected to have an increase in the number of units overseas, that is to say, in the capital of the Canadian army overseas. What I have said does not indicate any change in that policy. I may say that from time to time units have been sent over. Sometimes they have been sent over and have replaced other units overseas, and at other times the personnel of these units have been posted for purposes of reinforcement or for reserves, but there is no change in the policy I referred to when I said that an increase in the units of the Canadian army overseas may be expected.

Mr. GREEN: The other part of the question was—

Some hon. MEMBERS: Order.

Mr. RALSTON: Will my hon. friend give notice?

Mr. GREEN: I also asked the minister at the same time whether we were to take it that there was any change in the general policy with regard to the use of men called up under the National Resources Mobilization Act.

Mr. RALSTON: No.

Mr. GREEN: He did not answer that.

Mr. RALSTON: No.

Mr. ROSS (Souris): There never was a policy.

FLYING ACCIDENT IN MONTREAL

INQUIRY AS TO THE HOLDING OF AN INVESTIGATION AND THE PAYMENT OF COMPENSATION FOR DAMAGES

On the orders of the day:

Mr. LIGUORI LACOMBE (Laval-Two Mountains) (Translation): Mr. Speaker, I wish to direct a question to the hon. the Minister of National Defence for Air (Mr. Power). Is an investigation now being held on the terrible accident that occurred in Montreal on Tuesday last, when a bomber crashed in the heart of the city, and will the government take action with a view to compensating the people who have suffered damage?

Hon. C. G. POWER (Minister of National Defence for Air) (Translation): Mr. Speaker, I have had no notice of that question, but I have seen in the papers, this morning, that the Montreal coroner has just opened an investigation on that accident. In the second place, an investigation is also being held by the R.A.F. in Montreal, at the headquarters of Aviation District No. 3; it is presided over by an officer of the R.A.F. and Aviation Inspector Blondeau, of the Department of Transport, and Squadron Leader Gobeil, of the R.C.A.F., are attending it. We are now considering whether those two investigations will be sufficient to satisfy the public and the government. If we find, as a result of an inquiry which is now under way, that it would be desirable to pursue an investigation more extensive than those that are now going on, the government will take a decision and inform the house.

Mr. GORDON GRAYDON (Leader of the Opposition): I desire to direct a question to the Minister of National Defence for Air (Mr. Power). I believe it comes within the jurisdiction of his department. May I inquire of him whether a board of inquiry has been set up in connection with the Liberator bomber crash which occurred on Tuesday? I was attempting to follow his answer to the previous speaker and I gathered, from my faulty interpretation of his answer, that perhaps my question was somewhat different from that asked by the hon. member for Laval-Two Mountains (Mr. Lacombe). I should like to know whether or not a board of inquiry has

begun its investigation and whether or not that investigation is being carried on under the auspices of the Royal Air Force and of the minister's department.

Mr. POWER: I am sorry that my faulty French was such that my hon. friend could not understand it. I answered the very same question in French a few moments ago. The fact of the matter is, as the house well knows, that this was an aircraft belonging to the United Kingdom government and was being ferried across by R.A.F. ferry command. An inquiry is now being held in Montreal under R.A.F. auspices.

Mr. HANSON (York-Sunbury): R.A.F.?

Mr. POWER: Yes. It is being held in No. 3 Command, R.C.A.F. headquarters. Associated with the inquiry are Mr. Blondeau, of the civilian transport department, Canadian, and Squadron Leader Gobeil, of the R.C.A.F. There is also being carried on at the moment, I read in the newspapers, a coroner's investigation. We are considering whether or not these inquiries will be sufficient to satisfy public opinion and to reveal all the facts that should be disclosed. It may be that we shall decide to set up a board of inquiry under R.C.A.F. auspices, and should that be the case the public will be advised.

WAR MATERIALS

INCREASE IN CANADIAN SHELL PRODUCTION

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): May I direct a question to the Minister of Munitions and Supply? Will he kindly amplify the interview he gave the press, as reported on Tuesday last, in connection with the stepping-up of Canadian shell production, so that the house may have full information with respect to plans for increased production in certain lines of war materials?

Hon. C. D. HOWE (Minister of Munitions and Supply): The interview referred to was hardly a press interview. It was simply a question as to the accuracy of a newspaper article. I may say, however, that we are stepping up the production of heavy ammunition at the present time. In the early days of the war we had a large capacity for heavy ammunition. In time it was found that supplies in hand were adequate for that particular time and about two thirds of the capacity was closed. The tempo of the war is now at a higher pitch. The requirements are therefore larger and we are opening all the capacity that we ever had in this country for the production of heavy ammunition.

Mr. GRAYDON: From the press reports I would not gather that the explosive industries are being opened up as yet.

Mr. HOWE: The explosive industries are stepping up correspondingly. The two plants now in production will operate at full capacity. Whether or not production will be required from the plant at Nobel, which was closed, is a matter of doubt at the present time. There may be some small production required from there but it is not certain at the moment. The shell filling plants will also run at full capacity.

HIGHWAYS

PAN-AMERICAN CONGRESS IN PERU, JULY 15-25

On the orders of the day:

Mr. G. K. FRASER (Peterborough West): I should like to direct a question to the Minister of Transport. On March 2, 1944, at page 1053 of *Hansard* I asked the following question:

> Has Canada accepted the invitation of Peru to send representatives to the fifth Pan-American highways congress to be held July 15-25? If so, who will represent Canada at this congress?

The Prime Minister said that no official invitation had been received. I have since been informed by a very reliable party—and I know the information is correct—that some days ago the government received an official invitation. Can the minister now tell the house if Canada will accept the invitation, and if so, how many representatives will be going down there? As I understand it, Peru wishes as many delegates from Canada as possible. Who will those representatives be?

Hon. J. E. MICHAUD (Minister of Transport): The matter is still under consideration. As soon as a decision has been arrived at it will be made known.

WAR APPROPRIATION BILL

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

The house resumed from Monday, April 24, consideration in committee of a resolution to grant to His Majesty certain sums of money for the carrying out of measures consequent upon the existence of a state of war—Mr. Ilsley—Mr. Bradette. in the chair.

DEPARTMENT OF NATIONAL WAR SERVICES

Corps of (civilian) Canadian fire fighters for United Kingdom, $744,905.

Mr. CHURCH: This question of firemen from Canada in the United Kingdom was up last year about a month after the minister took charge of the department—I think it was July. At that time the minister said he was going to look into it and make some changes, owing to the fact that the civilian fire fighters of England were assuming their regular duties and that the raids were few and far between. I appreciate what the firemen have done. I have some letters here from firemen who served overseas. I shall send them to the minister. One of them is from a fireman living at Billings avenue in Toronto in the constituency of the hon. member for Greenwood. This fireman has just returned from England. He points out that there is really nothing for them to do there. He says they are doing nothing in the line of fire duty as the regular fire services in England are looking after all the little bombings that are going on. The corps of Canadians in Southampton and Bristol have never been in a raid, according to this fireman. He never saw one while he was there, and he was there for two years. He says on March 10, 1943, he moved to Portsmouth and they had one small raid on August 16 of that year. He says that the group at Plymouth have had a little action. They are looking after their own camps and fields in England. He refers me to the fire chiefs of two large cities of Canada, one in western Ontario and the other in Halifax. He refers also to two officers in the Toronto fire department. He is asking for further information.

I appreciate what the minister has done in reducing the item. It has been reduced from $957,850 to $744,905. Are these firemen overseas working actively? There are practically no raids. The raids have been eliminated. Firemen may have been necessary in the first and second years of the war during the battles of London, Coventry and Cardiff. But because of the way the raids have been reduced surely we do not need three-quarters of a million dollars in the estimates to cover this item when some of the firemen have returned home. When fire departments in the mother country are going back to their civil occupations, why should we have a large staff over there, when men are needed in Canada and in the forces overseas? After all is said and done we must not forget that wars are won by soldiers, sailors and airmen at the scene of combat. The same applies to firemen; they must work at the scenes of fires. That is where they are needed. They are not needed at home when men are required in the army. Dear knows where we will be when the time for invasion comes.

As I have said, the time has come when we should give some consideration to the municipalities. Sitting here as a committee we should reduce the item by two-thirds. I believe good work was done over there by a splendid body of men. They learned a great deal about fighting fires. We know there was a time when Canada might have been invaded, because the enemy was pretty close to our shores.

In passing may I compliment the minister. I had much to do with him during the last war and I found him always to be an obliging official. Last session when we were talking about salvage he said he would look into the matter, with the intention of possibly reducing it.

The question now arises as to whether those men are or are not needed over there.

Hon. L. R. LaFLECHE (Minister of National War Services): I would remind the committee that a request for Canadian firefighters was made by the British government, and they were sent by the Canadian government in response to that request. At that time there was no question of our troops leaving the British isles. In those days the British isles were strictly on the defensive, and behind those defences preparations were being made to do what we hope may soon be done successfully. Up to now there have been tens of thousands of people in the national fire service devoting their time to preparing defences against enemy raids, and particularly defences against incendiaries. Our very brave fire fighters, each a volunteer, have been stationed in dangerous centres. They have been in raids—thank heaven only a very few have suffered from the effects of enemy bombing. But they stand on duty over there, and do suffer the monotonies connected therewith. We know that wherever we find a group of men who are not actively engaged against the enemy each day, or almost each day, they suffer from monotony. But so do the firemen in fire halls who stand by to save our dwellings and business places here at home.

May I point out that there has been a reduction of $212,945 in the vote. It is necessary to make provision for all the services, pay and allowances, lodgings, travelling expenses and everything else for that body of men, not knowing how long it will be necessary to keep the corps in the British isles. It was seriously considered during the early part of last winter whether the corps would be left in

England. After taking the best possible advice, including the considered opinions of British fire fighting authorities and the British government, it was decided to leave them there. I believe those in England who gave us the benefit of their advice, knowledge and recommendations anticipated what we believe will take place shortly, when our army moves against the enemy, let us say on the continent of Europe.

We have had an intimation that possibly the imperial force, the national fire service of Great Britain, will offer an opportunity to some of the members of our corps to join them in certain extra duties which possibly would take them beyond the British isles. That matter is receiving attention to-day. No decision has been taken, because we have not all the information. I bring the matter to the attention of the committee because, there again, it may be that Canada will go along in the vanguard of the invading forces, in the defence of all we hold dear.

If the war ends quickly the corps will be brought back as quickly as possible. If the raids over Great Britain continue it will be extremely difficult indeed to bring them back until we have reached safety. That is the situation in regard to the corps overseas. I have had the very best reports about them—their lodgings, their meals, their equipment, and their clothing. I am extremely happy to say that upon reading the reports which come to us, the conduct and discipline indicated therein show that members of the corps honour it, by their very good conduct, and thereby have gained esteem in the eyes of their neighbours in Great Britain. Hardly an offence worth mentioning has been lodged against any member of the corps.

May I repeat that I sympathize with men who must sit and wait until the enemy comes over to bomb them.

Mr. LOCKHART: Have there been no definite transfers of men who went over with the corps? A letter which came to me yesterday indicates that transfers have been made. One man, I know, became tired of the monotonous life and, upon application, was transferred.

Mr. LaFLECHE: A small number have volunteered for Canada's fighting forces, and several have gone with the auxiliary services.

Mr. GREEN: How many are there remaining in Great Britain?

Mr. LaFLECHE: There are 362.

Mr. GREEN: How many went over?

[Mr. LaFleche.]

Mr. LaFLECHE: In all, 417 were recruited. Only one is deceased, and his death was due to an accident over there. His widow is pensioned.

Mr. COLDWELL: Where is the reduction in the amount? I must say I disagree sharply with the hon. member for Broadview. I receive numerous letters from London, the west of England and some from Yorkshire, and I know from recent letters that bombings in the last couple of months have been pretty bad. Many thousands of incendiaries have been dropped on some of the larger centres mentioned by the hon. member. I was just wondering what were the reasons for this reduction. I agree with the minister who said that while many of these men must of necessity be posted at points where conditions are monotonous, you cannot tell where a bomb is going to fall. At any moment they may be invaluable to the local community. Those of us who have visited the old country know that there are places which are under almost constant bombing. The hon. member for Parry Sound is in his place and he will remember that we visited one city which is seldom mentioned as having been bombed to any extent but which in fact was one of the worst-bombed places that we saw. Before I approve what the hon. member for Broadview has suggested, that this vote be reduced by two-thirds, I would want to be assured that there is a good and valid reason for any reduction that has been made already.

Mr. LaFLECHE: I shall compare the items in this vote with the vote of last year, and then I shall have another word to say about the necessity of keeping the corps together until we know more about the results of what lies ahead. There is a very definite connection between the two.

The items are:

	This year	Last year
Salaries	$ 2,220	$ 2,850
Pay	370,000	395,000
Subsistence allowance	116,330	250,000
Dependents' allowance	150,000	172,000
Clothing and equipment	65,000	100,000
Medical care and hospitalization	9,500	9,500
Transportation	25,500	15,000
Printing and stationery	1,000	3,000
Miscellaneous	5,000	10,000
Cost of living bonus	325	430
Unemployment insurance	30	70

The reduction in the pay item is brought about by the reduction in the force. Last year we provided for 400 men, and this year we are providing for 362 men, all ranks. The pay item of $370,000 is worked out by the financial officers. They know how many men of all ranks they must provide for, for 365

days. This is the figure. The subsistence allowance is calculated for the full year and is in accordance with the number of persons to be provided for. This covers the cost of food and lodging. I have it on the best authority that these men have an excellent table. They are provided with the regular rations which can be improved with proper care and preparation. They are lodged in very comfortable buildings and they have upon them the benevolent eye of their fellow firemen in the national fire service.

Some items of equipment were issued when the corps was set up and they need not be renewed, but clothing must be renewed regularly. Up to date we have authorized, as it became necessary in the eyes of the commanding and other responsible officers of the corps overseas, two and one half issues of clothing. The original clothing was purchased in Canada because the men were here. At a moderate cost each member of the corps was provided with a semi-fitting uniform which was then fitted to him by competent tailors. The same practice is being followed in England, and this corps is able to present an extremely smart appearance without its costing more than it should. The amount of $65,000 is considered sufficient to provide the necessary new shoes and clothing and equipment to the members of the corps.

The increase of $10,500 in the item for transportation reflects to some extent the possibility of bringing back to Canada a number of these men, but, as I have explained already, circumstances which have been inquired into very carefully tell us that they should remain there because they are badly needed. These are gallant men and I am certain they do not want to come home until they have done their full job.

Mr. COLDWELL: I did not catch the reduction in personnel overseas which the minister gave.

Mr. LaFLECHE: There has been a reduction of 38.

Mr. COLDWELL: How did that occur? Were men returned to Canada or transferred to other services? I know that one man died.

Mr. LaFLECHE: The reduction in personnel has been quite gradual. Casualties are always to be expected for one reason or another. All the reasons mentioned by the hon. member for Rosetown-Biggar can be offered for the reduction. Unfortunately one man was killed. The physical condition of others has deteriorated overseas, but this occurs in all groups of men.

Mr. LOCKHART: Some have been brought home?

Mr. LaFLECHE: Yes.

Mr. LOCKHART: How many?

Mr. LaFLECHE: Since the beginning there have been discharged or struck off strength a total of 60 men. Twelve were discharged in Canada before the corps proceeded overseas; one died overseas; ten were discharged overseas in order to join active or auxiliary services, and thirty-seven were returned to Canada for discharge.

Mr. POULIOT: Mr. Chairman, after the blitz in London, there was a campaign in Canada to send firemen's ladders to Great Britain. While that campaign was on, a firemen's convention was held in a United States city, which the fire chief of a Canadian city attended, and there he had a talk with the fire chief of that United States city and spoke about this campaign for ladders to be shipped to Britain. To his great surprise he learned that that very city had called for tenders for new firemen's ladders and that the lowest tender had come from Great Britain. That showed that the British people were not so much excited over the blitz that they were forgetting trade. They were asking us to ship them ladders and at the same time were offering to sell ladders at the cheapest price to that city in the United States. That I think is a lesson for all of us that we should not forget during the war.

Mr. MACDONALD (Brantford City): I listened to the hon. member for Broadview and I cannot find myself in accord with him. He stated that the bombing of Britain had ceased. I think probably, Mr. Chairman, we are taking too much for granted. The bombings may have ceased for the time being, but I do not think we should take for granted that the bombings have permanently ceased. Too often in Canada we are apt to feel that the war is getting away from us, too far away. I feel that we are very much in this war, just as much to-day as ever we were, and we are still a long way from winning it. It is possible that there may still be very heavy bombings of Great Britain.

I was glad the other day, Mr. Chairman, to hear the minister say that he hoped that the members of this fire fighting force would in time be entitled to the same benefits as the men who served in the armed forces. I do trust that such a regulation will soon be put into effect. These men went to Britain when there were heavy bombings and offered their lives in the protection of the persons

and property of the people of that country, and they are entitled to the same benefits as the men who served in the armed forces.

There is one thing I should like to bring to the attention of the committee as a matter of interest, and that is that when this fire fighting force was being organized the government looked over Canada for the best fire fighting chief in the country to head the force. Hon. members will be interested to know that in addition to selecting expert firemen from Brantford, the man who commanded that force, took it over to Britain and is still in command of it was the chief of the fire department of the city of Brantford.

Mr. MacNICOL: Mr. Chairman, I have not heard anyone speak of what must have been the good effect on the morale of the people of England, if their morale could possibly have been improved, of the landing over there of firemen from Canada to assist them in putting out fires caused by bombings if they occurred. I am glad to hear that the fires did not occur to the extent that had been anticipated, but that would not be any argument against sending the fire fighters over, because had another big blitz occurred our men would have been there to help put the fires out.

While the hon. member for Brantford City takes great credit for his city in the fact that the chief of this fire fighting force was selected from Brantford—it was an honour to his city, and I have no doubt that the chief was an expert fire fighter—I am happy to say that a very large number of the personnel of that force were recruited from Toronto. The fire fighters who went from Toronto, like those who were selected from other cities in Canada —because I am not going to claim more credit for Toronto than anywhere else—were all experienced and expert fire fighters. I have no doubt that all these selections were made because of the men's ability and experience in fighting fires. I knew quite a number of them who left Toronto to go over to Britain, and to my knowledge they were the very best men that could be sent.

Mr. LaFLECHE: My hon. friend will be interested to know that fifty-six came from Toronto.

Mr. MacNICOL: I am proud to hear that fifty-six enlisted from Toronto. Whoever was responsible for recruiting that fire fighting force to aid the old country, which had gone through so much, deserves a great deal of credit for the formation of this force which consisted of the very cream of the fire fighters of Canada.

[Mr. W. R. Macdonald.]

Mr. GREEN: When the estimates of the minister were up on the last occasion, a number of questions were asked which he could not answer at the time, and he promised to bring down the information when next his estimates were up. One of the questions had to do with the possibility of men in the hospitals in Great Britain, in the Mediterranean, and in Canada, getting the benefit of these educational courses. I pointed out that my information was that the courses were not readily available to the men in hospitals, and I thought some improvement should be made in that regard. Is the minister prepared to make any statement to-day?

Mr. LaFLECHE: I should have explained before we began consideration of this item to-day that the Canadian Legion educational courses may be arranged for members of the services. But if they are not begun before the men have been discharged from the army—

Mr. GREEN: They may not begin?

Mr. LaFLECHE: No, that has not yet been arranged. It is under consideration. But the courses may be completed after a man has been discharged. I have been advised that the men in hospitals overseas and here in Canada can have these courses, and it is desired that they should have them. The matter has been brought to the attention of the Department of Pensions and National Health and of the educational officers of the Canadian Legion. There was seemingly some misapprehension—but my departmental officials since we met last Monday have taken the matter up with these other authorities who are in very close contact with the men. My opinion is that these educational courses should be made available to all the men. Already nearly 200,000 members of the forces have enrolled in these courses. It may be that my hon. friend has in mind an odd case, or a few cases, perhaps in some isolated spot. But we have brought the matter to the attention of the other authorities and, as I say, I am all in favour of these courses being made available to all the men.

Mr. GREEN: I think that these courses should be made available to all the men in the forces. But the minister says that a man who has been discharged from the army cannot get these courses. As the minister knows, when these men are discharged from the army and go into a pensions hospital, they become charges of the pension department, and apparently under the present regulations they cannot take a course at that time. There is great need for facilities being provided to enable the man who is in a pensions hospital

to get the benefit of these educational courses. He is there wounded, or perhaps ill, and he has more time to study than he would have on active service with the navy, the army or the air force. There is great need for these courses to be provided for these men. I am told definitely by people who have visited one of the Pensions and National Health hospitals that the men are not getting the courses, certainly not to any great extent. They are very much concerned about it, and would be greatly interested in getting them. I suggest that this comes under the minister, who should see to it that the necessary arrangements are made with the Department of Pensions and National Health for the men in these big hospitals to have the full benefit of the educational courses. Has the minister taken any steps to see that this is made possible?

Mr. LaFLECHE: I am afraid my hon. friend did not follow me when I said that men in civilian hospitals, after being discharged from the forces, may have the courses.

Mr. GREEN: You said "may not."

Mr. LaFLECHE: Just a moment; they may have the courses if they took them up before they were discharged from the army.

Mr. GREEN: But that does not meet all cases.

Mr. LaFLECHE: Just a moment, please. Then a short time ago I added that we have again taken up the matter of allowing a man to begin a course after he has been discharged and is in a Pensions and National Health hospital. I may add that to my knowledge this situation has been under discussion with the competent authorities for at least two or three months, because we want these courses given to all the boys who desire them, whether before discharge or while in hospital following discharge. We believe in these educational courses; we think they are good for the boys. Therefore we have tried—and have not found any opposition—to open up a demand for these educational courses. This educational programme began, I would remind the committee, as something for the troops while in uniform; but as the war goes on men are discharged and are kept in hospital, and these courses are good for them. So that we are doing exactly what the hon. gentleman said would be a good thing.

Mr. GREEN: You are not doing it yet; you are trying to do it.

Mr. LaFLECHE: We are trying to popularize it.

Mr. GREEN: What are the obstacles to getting such courses started in these hospitals? Why have they not been made available before this?

Mr. LaFLECHE: I do not know. I explained earlier when we were on this item that my department fills requisitions made upon it by the defence departments. Naturally this is for men in uniform, but men are no longer under the Department of National Defence after they have been discharged. Of our own accord we have tried to follow this into another department, and discussions are going on in order to see whether the boys will want the courses and whether the departments can make the necessary arrangements to that end. Everybody is for it.

Mr. GREEN: Will that include handicraft and art courses?

Mr. LaFLECHE: They have those in the hospitals now.

Mr. GREEN: Then may we take it that these educational courses will be made available to men in the Pensions and National Health hospitals within a short time?

Mr. LaFLECHE: Yes, most assuredly, so far as the Department of National War Services is concerned.

Mr. GREEN: What about the Department of Pensions and National Health?

Mr. LaFLECHE: I cannot answer for that department, as my hon. friend knows.

Mr. GREEN: But it is a government responsibility.

Mr. LaFLECHE: While a matter is under discussion between two departments it is too early to announce any decision. I have told my hon. friend very carefully what we are trying to do; now let him wait.

Mr. GREEN: I do not mind waiting, but the men concerned should not be kept waiting.

Mr. LOCKHART: I am keenly interested in the matter which has been brought up by the hon. member for Vancouver South, but without interrupting his line of thought or the minister's answers I should like to return to the matter under discussion previously, that is, the corps of civilian fire fighters overseas, in order to ask a further question. Apparently the minister is expecting these men to remain over there now. I want to associate myself with all the good things that have been said about them. Casualties of

one kind or another have been suffered by some of these men, and I should like to know what is done for their families. What would be done for the family of a fire fighter overseas who became totally incapacitated, or eventually died, as the result of some injury?

Mr. LaFLECHE: I am happy to be able to tell the hon. member for Lincoln that if death occurs the family is pensioned.

Mr. LOCKHART: On the same basis as the family of a member of the overseas forces?

Mr. LaFLECHE: Under the same act. They are under the Pension Act; that is the whole situation in a word.

Mr. LOCKHART: Then if I may follow that up, eligibility for pension is worked out on exactly the same basis as in connection with soldiers who serve overseas?

Mr. LaFLECHE: Yes. If injury is suffered while on service overseas, the man is eligible for pension. As I said a moment ago the widow of one member of the corps, who was killed in an accident in Great Britain, is being pensioned.

Mr. LOCKHART: Does the Canadian pension commission deal with these applications?

Mr. LaFLECHE: Yes, in precisely the same way as it deals with other applications.

Mr. CHURCH: I should like to say a word about these fire fighters. As I understand it, the minister is not responsible for this programme; he took it over from another minister last July. These are trained firemen whom we have sent overseas, but in many cases they are not needed there. The other day I received a letter from a fireman just back from England, in which he gave a list of the cities which said they did not need any help; they included Southampton, Bristol, Plymouth, and others. The fire fighters belonging to those cities have done the work, while, he says, the men we have sent over have not been asked to help at all. Then I should like to know where these men come from, by provinces. There is a third point. In a return brought down the other day it was stated that the loss from fire in army, navy and air force camps in Canada since the beginning of the war has amounted to about $4,500,000, with practically no insurance except what may have been taken out by a few contractors. As I said the other day, this war is a changing war; it changes from week to week, month to month and year to year, and in my opinion the need for Canadian firemen in Great Britain has practically vanished. If they should be needed there, let them stay, but in view of the letters I have received and the conversations I have had with some of the men who have returned, I do not believe they are needed any further in England. These men in their letters have said that they have little or nothing to do over there, and they might as well have been at home in Canada.

In this connection there is something I cannot understand at all. We have the army, the navy and the air force in Britain; they are on the job twenty-four hours a day, and they get no holidays. Right next door to them are these Canadian fire fighters, many of whom have very little to do and some of whom are given leave to come back home for a holiday. Some of the men in the forces have been over there for going on five years, but they have been given no holidays at all. The minister is a military man himself, having had a long and able career in the army, and he knows that civilian firemen receive some military drill and physical training, and he knows that under any modern fire chief there are competent instructors, so that altogether these men are hardy and quite fit for military duty. I have received, in the letter to which I referred, information that in four or five Canadian cities the chief thinks the work in England is over for these men, and I am led to believe that the men overseas, if they are kept there, should be transferred to the army. They should form as a fire unit and be a part of the army if they are to be of any use in Great Britain. I suggest that as a fire-fighting unit they should form a part of the army of invasion if we are to keep them there. We are spending three-quarters of a million on them and I fail to see the use of it. If it were necessary I would not say a word; I would go for it one hundred per cent. As matters stand, however, I do not believe it is necessary and I suggest that we should have some further explanation. The fire departments throughout Canada have suffered very considerably from a depletion of their forces. Firemen are needed in all our cities and towns because in many cases the new men are not as well equipped to fight fires as those who have had years of experience. There may be some merit in the retention of the men in their present capacity if they are to take part in a reconstruction programme in Britain, but so far we have not heard whether their duties will include the rebuilding of cities that have been bombed over there.

We wish to give the minister every encouragement in his work, and our criticism is intended to be constructive, but I suggest that this item should be cut down and as many of the men as possible drafted into the army as a fire unit. They should be transferred from the minister's department to the army. I

understand that the civilian firemen in Great Britain are able to cope with the work they are called upon to do.

Mr. LaFLECHE: May I reassure the hon. member that if the corps is still in England it is there because the authorities there, after studying the question very carefully at our request, reported that it was necessary that they should remain there. The events of the near future may change the situation entirely, but at the moment I am quite satisfied that it is necessary that the corps should remain where they are, doing the work in which they are at present engaged until events take their course and we can see a little further into the future.

Mr. MARSHALL: The majority will agree with the minister, I think, when he says that these fire fighters have a definite place to fill in the work in Great Britain. As he said, this request came from the British government, and so far as our information goes now that request still stands. There are one or two questions I should like to ask the minister. The auditor general's report for the year ended March 31, 1943, states that each member discharged for medical unfitness or other cause, after 183 days' service, receives a clothing allowance of $35. It is my understanding that the men of the fire fighting corps have the same status as the men in the various branches of the fighting service. If that is so I cannot quite understand why the clothing allowance for these men should be as low as $35. Why is it not $65? Is this an old regulation, and has there been a change since?

Mr. LaFLECHE: The hon. member has replied to his own question. He was reading from a report made at a time when the clothing allowance in the armed forces was $35. It was raised to $65 and it has been similarly increased in the case of members of the fire fighting corps.

Mr. MARSHALL: There is another question. There seems to be a difference of opinion between the auditor general on the one hand and the Minister of National War Services on the other with respect to the collection of income tax from members of the corps. On page 58 of the auditor general's report the statement appears that the minister instructed the comptroller of the treasury that these taxes should not be collected from members of the force. I wish the minister would enlarge on that and say whether or not authority has been given, by way of order in council for example, to exempt those men who are overseas from the provisions of the income tax act.

Mr. LaFLECHE: The auditor general's report from which the hon. member is reading is presumably up to March 31, 1943, a year ago. From the very beginning there was some difficulty about income tax. There has been of course a difficulty in that regard in other cases as well. From a very early date the matter was taken up with the competent authorities of other departments and recommendations were made that the members of the corps be not subject to income tax while overseas. As yet that has not been finally decided in their favour. By arrangement at the time of the report mentioned by my hon. friend, it was decided that the paymaster should not make the deduction. At present the point is again being taken up with the competent authorities. The great difficulty is that the Canadian corps is a civilian corps, not a military one. I even thought of giving them a status which would have been a military status, but we encountered difficulties there. It was not possible to do so. That would have solved that rather small problem, but it was not possible to do that. We then went back to the other authorities and we are still discussing the merits of the recommendations I have made on more than one occasion, namely, that income tax be not applied in the case of these men once they are overseas.

Mr. KNOWLES: On that point may I suggest to the minister that he look up what was done by the government in connection with the men who went to Kiska last summer. He is probably familiar with it anyway. According to the strict wording of the Income War Tax Act as amended last year, those men were taxed at the rate of fifty per cent while they were at Kiska. Following representations on the matter in the house the government decided to change the situation and did so by order in council. I suggest to the minister that he might use what was done in that case as an argument to support him in what he is trying to do for these men.

Mr. LaFLECHE: I am grateful for the suggestion.

Mr. KNOWLES: To follow the matter up I offer it as a suggestion.

Mr. LaFLECHE: We are using it, but again the position of the corps is not that of the units which went to Kiska. They were military units; the fire fighters are not. Nevertheless it is up to our department to bring it to a finality. We have to tell them finally

"yes" or "no," and we are doing our very best to put the members of this corps upon the same footing in that respect as the members of the military corps.

Mr. KNOWLES: As a further suggestion, may I point out it seems possible to do marvellous and wonderful things by order in council. For example, the order in council to which I refer read this way, if I recall it correctly: "For income tax purposes Kiska shall be regarded as outside the western hemisphere." As the minister knows, the phrase "for purposes of" so-and-so creeps into many orders in council. It does seem to me the minister should use that argument in this way: For income tax purposes these men may be considered as members of the military forces.

Mr. LaFLECHE: That argument is being used, and I think I used the best argument of all, namely, that these boys who went overseas went into an area of at least as great danger as did the members of any of the armed forces. For my own satisfaction I cannot find any better argument than that. I have used it and I am going to keep on using it.

Mr. GREEN: The auxiliary service groups do not get complete exemption from income tax. Why is that?

Mr. LaFLECHE: I do not know. I cannot answer for what happens in another department. In a sense they have been given a military status and it is on that score that they receive the benefit. I attempted to attain that status for the members of the fire fighting corps but was unable to do so. Earlier this afternoon I said something about the possibility of some members of the corps being given an opportunity to go beyond the British isles presumably in the not distant future. So far as I am concerned I will not want them to go unless the matter under discussion is settled in their favour. Unfortunately if they go they will go as members of a civilian corps. I assure the committee the particular matter of military status or otherwise is the dividing point, or has been found to be the dividing point, and indeed a very high partition has been set up which we have not been able to hurdle in favour of these boys up to now.

Mr. GREEN: Why is there a difference in the case of the men in the auxiliary services?

Mr. LaFLECHE: Because the others have a semi-military status.

Mr. GREEN: Why do they not get complete exemption as do the men in the army?

[Mr. LaFleche.]

Mr. LaFLECHE: I am not fully aware of the reason myself. They accompany the armies. I told a glorious story the other day of some supervisors of the auxiliary services putting their supplies of comforts in tanks. Those tanks were placed in ships and shipped to Sicily. The comforts were removed from the tanks and the tanks went on as fighting units. The auxiliary services took their cigarettes and chocolates and other things and went ashore for the comfort of our fighters.

Mr. GRAYDON: I presume the civilian corps of Canadian fire fighters take their places in some organization of United Kingdom fire fighters with like duties. If that is so, is there a distinction between the military and the fire fighters in so far as income tax in Great Britain is concerned? I have an idea that may have a bearing on the point. Has the minister made any inquiries in that regard?

Mr. LaFLECHE: In England the equivalent of our fire fighters corps is known as the national fire service. That definitely is a civilian corps. I happen to know that whatever may be projected over there in the distant future these men will maintain their status of a civilian corps. The workings of the income tax in Great Britain are different from what they are here. I cannot answer that part of my hon. friend's question.

Mr. GRAYDON: There would be this distinction and difference: the Canadian fire fighters who go over are sent overseas. The national service in Britain would be at home. Because of that I fancy our men would have a greater moral claim to exemption from the income tax provisions.

Mr. LaFLECHE: May I express thanks for the support I have received in this matter.

Mr. MARSHALL: The minister has repeated on a number of occasions during the last few minutes that this is a civilian corps. I would deduce from that that little hope arises for these men getting very much consideration with reference to the matter of income tax. Yet from his own statement one learns that the comptroller of the treasury has been ordered not to collect taxes from these men. It would appear to me there is going to be trouble ahead unless some action is taken to clear up the matter, and clear it up very soon. It would not be a very pleasant thing for these men to be faced with the payment of at least two years' taxes if it is discovered that the Minister of National War Services cannot assist them. Would it not be better to collect the taxes and hold them

until the point is decided one way or the other upon an official basis? From the way it is being done now, it looks to me as if there are going to be breakers ahead.

Mr. LaFLECHE: I hope it will not come to what the hon. member for Camrose has stated. Instructions have not been given. But an understanding had been arrived at with the treasury officials, which took place before the date of the report mentioned by my hon. friend, in which it was tacitly agreed by all concerned that they would await a final decision in this matter. While I have not the figures here, the fact is that in nearly all cases the amount of income tax is not great. The department will continue to try to find relief for these men.

Mr. FRASER (Peterborough West): Do they live in barracks or are they boarded out?

Mr. LaFLECHE: They live in barracks. They are comfortably put up and, through their own exertions and care, they have a very good table.

Mr. MacNICOL: Firemen who have gone from Canada to Great Britain will learn something over there about fire-fighting under difficult conditions, and will have experiences which they might not have in Canada. It would seem that when they return they would be even better qualified to put out fires in this country. So that their training over there will have been worth while.

Mr. LaFLECHE: The hon. member is quite right. While there is a certain amount of monotony, owing to their having to wait for the enemy to come, it is not that way all the time. Members of the corps are continually being sent to training schools in the British isles operated by the national fire service. I am pleased to report that the performance of members of our corps at such schools has been very good indeed. They learn about that which has to do with fighting fires under conditions prevailing in the British isles, taking into consideration incendiary bombs, the possibility of asphyxiating gases, and they have to be familiar with making rescues at sea. I would expect to see future chiefs of Canadian fire brigades drawn from members of this corps.

Mr. NOSEWORTHY: What are the hurdles which have prevented the minister's department for more than two years from arriving at a satisfactory solution of this simple problem?

Mr. LaFLECHE: I assure the hon. member it is not a simple problem, because it might run into many spheres of the civilian side of war activities. A favourable decision would have to come from the Minister of National Revenue. But he cannot make his recommendation offhand, since he must take many factors into consideration. For instance, the relief recently given to supervisors of auxiliary services was under consideration for a very considerable time.

Mr. GREEN: Too long.

Mr. LaFLECHE: Perhaps. But due care and attention must be paid when something of that kind is undertaken. The action taken is hardly ever limited to the particular field one may have under survey at the moment.

Item agreed to.

Committee on cooperation in Canadian citizenship, $46,367.

Mr. POULIOT: I have two or three questions to ask. First I would ask for a detailed account of the item.

Mr. LaFLECHE: That section of the Department of National War Services known as the committee on cooperation in Canadian citizenship had approved for it last year a total of $18,347, while this year the amount asked for is $46,367. The estimate is made up as follows:

Salaries	$33,892
Cost of living bonus	1,100
Unemployment insurance	75
Travelling expenses	10,000
Printing and stationery	300
Miscellaneous	1,000

It may be known to only a few that this section has suffered in a most noteworthy manner, in fact has suffered as no other organization of which I have known, from the crippling effects of illness and indisposition among the small membership of the staff. Each member of the staff has at one time or another been off work with what was certified to by a doctor as an ailment sufficient to put the employee on the shelf for the time being. The aims and objects of the branch are very high. They have to do with helping newcomers to Canadian citizenship to become better Canadian citizens. The aim is somewhat idealistic, but I have always felt that there is a definite place for it, and that people who come to live here should be assisted as much as possible.

I am certain it is not known that the recommendation was made to me, as minister, that this branch be done away with. I kept it on—nursed it, if you like—because I have always felt that we have to have some such organization. The past work of the branch has run pretty much on a level until recently.

It has always done about the same thing; in fact, I do not think a graph would show much deviation.

Recently, however, it has been possible to obtain the services of a gentleman who, in my opinion and that of others, is highly qualified. I believe he will be able to lift up this work to that high level I believe it should occupy. I refer to Doctor Robert England, who has accepted a civil service certificate appointment to come to Ottawa to do this work. He will stay here for a few months, during which time I am sure that, not only will this branch show renewed strength, but its work will develop and become greater. So that we may have the extra staff required, I ask for an increase of $24,280 in the salaries item.

Mr. STIRLING: What does it actually do?

Mr. LaFLECHE: It keeps in touch with groups of what are known as new Canadians. These are people who come from other lands to settle in Canada. My hon. friend knows there are many such persons. They are to be found everywhere. An attempt is being made to make these people feel at home.

Mr. STIRLING: How is the work carried out?

Mr. LaFLECHE: By personal contact at meetings of these persons, and by keeping in touch with the editors of what are known as the foreign language newspapers. Different matters touching on Canadian citizenship are brought to the attention of these people wherever possible through their own publications.

Mr. POULIOT: Might we have the amounts paid to these employees?

Mr. FRASER (Peterborough West): Will the minister also state the number of employees there are this year? Last year there were four.

Mr. LaFLECHE: Five, with Doctor England, and we are increasing the staff. Last year Mr. Tracey Phillips received $4,392, and Doctor Kay, a foreign language newswriter, $3,000.

Mr. FRASER (Peterborough West): That has been jumped by $500 this year.

Mr. LaFLECHE: On the recommendation of the civil service commission. There was an editorial assistant at $2,400, which is an increase. There was a stenographer at $1,200. Those are the four for last year. For this year there is a director at $4,500; one research assistant at $3,600; a liaison officer with the foreign language press, $3,000; a liaison officer with the English and French press, $3,000; one editor at $2,800; two readers at $1,920, and two stenographers at $1,080.

Mr. GREEN: Are the present personnel being retained?

Mr. LaFLECHE: Yes, and there will be additions this year. As I see the picture, it is necessary to add to the staff. It was recommended that I disband this section, but I could not see my way clear to do so. I think we owe it to these newcomers to carry on this cooperation in this way.

Mr. POULIOT: Some hon. members have complained about bureaucracy. Last year this item was $18,000 and this year it is $46,367, almost twice as much. Time marches on, bureaucracy marches on. Doctor England is employed to teach something that is non-existent, Canadian citizenship. We have been told that our nation is the equal of any nation in the world, but the fact is that we are just colonials. I have been criticized many times because I told the truth, because I did not want to feed people with words to make them believe that they were more important than they were. We have heard much about the progress that has been achieved by the enactment of the statute of Westminster, but that is just bunk. Mr. Chaloult, provincial member for Lotbinière, has been arrested because he has expressed his feelings in public. If there are people who are called ultra-nationals in the province of Quebec, it is because some people have given more importance to the statute of Westminster than it deserves.

Over the radio we hear a silly programme called, "Metairie Rancourt". There are imperialists who want to have the union jack as our flag. That is their business, and that is our flag at the present time. Some people are for having a Canadian flag. I think the matter deserves consideration. But the fact is that our national flag is now the union jack, and we are the only country in the British empire without a national flag. We are asked to provide money to promote cooperation in Canadian citizenship. What is this for? Is it to put in the minds of the people who listen to the radio the idea that there is a Canadian flag?

As I say, I listened to a programme over the C.B.C. called, "Metairie Rancourt". I do not know who wrote this nor do I know how much was paid for it. I intend to quote from this programme in English as well as in French so that it may be understood by those who are bilingual as well as by those who are not. I had never heard of this programme before, but it was supposed to be a father

talking to his children and telling them, "Nous avons notre drapeau, notre drapeau, c'est le drapeau fleur délisé". I have not the proper translation of that, but in effect he was saying that we have a flag, that this is our flag, that this is the old French flag. That was what was going out over the national network. Someone was trying to fool the people who were listening to that programme. I object to that sort of thing most strenuously.

What we should do to have Canadian citizenship is a change in our passports; they should refer to us as Canadian citizens instead of British. But the minister would never dare to suggest that, and there are very few members who would dare to suggest it. Why talk of Canadian citizenship when we are still British citizens? I am not ashamed of being a British subject, but I would be prouder if I were a Canadian subject, if I were respected throughout the world as a Canadian subject. Hon. members should read the speeches made by Mr. Lapointe on two occasions during the first session of 1939. He was referring to citizenship, and he stated that a Canadian was a British citizen in this country as well as in the British isles, which was, according to him, another reason why we should not be neutral during the war.

The Minister of National War Services will not increase the importance of his department by increasing the staff of such branches, which should not be there to fool the Canadian people. If someone says that I am against Canadian citizenship, that is untrue. But I want my people to be informed of the facts as they are. Instead of being giants internationally, we are dwarfs, and we are dwarfs just because of an inferiority complex on the part of these people who try to give the Canadian people the impression that they are international giants when they are not. Is that clear enough? And that is done in times of war when it is impossible to get a pension for our boys who are wounded and for those who are discharged from the army. There will be all these doctors, the pests of the universe, who will come here to bring about "cooperation in Canadian citizenship". It is just a waste of time and money because, when it comes down to facts, nothing is done. It will not take $46,367 to give Canadian citizenship to our own people. The only thing to do is for the Prime Minister, now in London, to say to Mr. Churchill: The Canadians want to be called Canadian subjects. And they will remain in the British empire just the same. That will be sufficient to give us Canadian citizenship and that will save $46,367 to the Canadian people.

Moreover, I cannot see why we talk about Canadian citizenship when not long ago Senator Robertson or Robinson—I am not sure of his name but he is the national chairman of the National Liberal Federation—dared to say in public that the Prime Minister would go to London as the leader of the small nations, and when Viscount Cranborne said in London the other day that everything would be decided by the big powers and that the small powers would have to listen to the big powers. How can we speak of Canadian citizenship then? We must tell the truth to the Canadian people, and if the wartime information board is the misinformation board, it is the duty of the members of parliament to inform their constituents and the Canadian people as to the real facts. That is my view, Mr. Chairman, and I cannot conceive that members of parliament will let this item pass.

Cooperation in Canadian citizenship! What is that? The worst thing for national unity is the campaign that is made for it. The Canadian people are under the impression that if somehting is done or is not done, it is to appease one of the provinces. How many are afraid to do the right thing and to tell the people that if conscription has apparently not been passed, it is not to appease the province of Quebec because man-power in that province is at rock-bottom just as it is in the rest of Canada, and that it would destroy the war effort of Canada to impose conscription. But no member of the government has the courage to say to the Canadian people that the man in overalls is doing as much to win the war as the man who carries a rifle. And so it all comes on the back of the province of Quebec. It is to appease the province of Quebec, forsooth, that we have not conscription! Is that not a shame? Why not tell the truth so that the people will understand? I am against the policy of appeasing this one or that one, of not doing this thing or that thing for fear of displeasing someone. There must be a reason for doing a thing, and why not give the right reason? Then no money will need to be wasted on such an item as this. It is revolting to see how public money is wasted. Cents are economized and dollars are wasted, especially in this department, which I denounce with all the strength I have.

Then there are publications presumably to give out news. Little papers are sent out. It is like the images which supposedly would cure stomach ills if swallowed by a sick person. Probably "Nouvelles Catholiques" are got out to make people forget the distribution of condoms by the department of health—

"Nouvelles Catholiques" on the one hand and condoms on the other. It is sanctimonious. Religion itself is a very good thing and it would be excellent to have chapels for the soldiers in the camps. But those chapels are not built. We should have chapels for spiritual worship. Then "Nouvelles Catholiques" are published and sent all over, while the young men in the camps very often have no place to worship. Instead of wasting time on these useless branches of the department, the Minister of National War Services, who has had good experience as a former deputy minister of the Department of National Defence, should say something to his colleagues, especially his colleague the Minister of National Defence for Air, to see to it that the bright young men in any branch of the army should have facilities for worship, so that each one can pray to God in his own manner. They must rely on the Divine Providence for help in their undertakings, and they must have the fullest support from the government in that connection. That is one thing.

Next, dispense with all these frills and get back to fundamentals. See that the people of Canada are not deceived by false propaganda. Then I hope that there will be a strong wind to dissipate all the clouds that prevent information from reaching the Canadian people. When one speaks as I do, if he does not commit blasphemy, he may be accused of being sacrilegious when he is throwing down false idols.

The only way to have true Canadian citizenship in this land is first to get rid of an inferiority complex as compared with any outsider. A Canadian, even if he is a British subject, does not have the official right to call himself a Canadian citizen. But first he must have pride in his own country, whether Canada is his native country or his country of adoption. A Canadian must be proud of being a Canadian. That is the first thing.

The second thing is that there should be no false representation to anyone. Then there must be no appeasement of any kind, and by appeasement I mean the abandonment of the rights of some people under the pretext of pleasing some other part of the population. These are most serious matters. When the right thing is done, no one is afraid to call it by its proper name; when the wrong thing is done, everyone is evasive.

Since there has been a denunciation of bureaucracy throughout Canada I hope the protests against this item will be so strong that the Minister of National War Services will cancel the engagement of Doctor England and all his staff and wait until we are Canadian citizens in fact as well as in name before undertaking any further expenditures of this kind.

Mr. CHURCH: I should like to find out something about this famous committee. I believe it is a waste of money to have what appears to be a new item for $46,367 for a committee on cooperation in Canadian citizenship. We have so many committees that the House of Commons has very little control over expenditures. This committee is to consist of four men; soon there will be five, and it will be their job to try to improve the standard of citizenship among newcomers. I am absolutely opposed to this proposal. We had a gentleman named Professor Kirkconnell, who wrote a national war book for the government glorifying those who had been born in Europe, at the expense of the native born, the British born and the French who have been here for so many years. He was engaged by the predecessor of the present minister. I do not blame the minister for these items, because most of the abuses which have been brought to his attention were there before he took over the department. This is an innovation.

The other day he discussed a charities committee headed by Mr. Charles Burton, who has done splendid work in connection with education, and in many public and private charities, and is a great citizen of Toronto and an outstanding Canadian. That committee includes men like Mr. F. K. Morrow, Mr. Gordon Perry and others, who have worked day and night and have effected large economies in the war charities branch. I have known the chairman of that committee, Mr. Charles Burton, for many years; he is a leading citizen of Toronto, a large employer of labour, who has rendered splendid service to the city, the province, the dominion and the empire. Now we are to have another committee of a different kind altogether appointed, which as I see it will be largely a political committee that will create more disunity than unity in Canada and do nothing but talk.

In the fifth year of the war why should it be necesary to appoint a committee to bring about cooperation in connection with Canadian citizenship? Why are these people admitted to the country unless they know all about citizenship and matters of that kind? This is just catering to a certain element in the country, many of whom have taken no part at all in our war effort. Some of them are conscientious objectors. We are spending four billion dollars of the money of the taxpayers, and dear knows the time has come for retrenchment and economy. I said this long before the present minister was at the head of this department; I am sorry to have to say it

again, because he is not to blame for a great deal of it. I do say this is appealing to sectional interests and will cause widespread disunity. There is no such thing as unity in Canada at the present time, and we might as well admit it. We had some evidence of that this afternoon in regard to the war. Wars are won by soldiers, sailors and airmen at the scene of combat. They do not need any committee to teach them cooperation in Canadian citizenship or to tell them what to do. I believe this new item should be struck out; I do not want to take the government by surprise, but if this were estimates I should like to move that the item be reduced to $1. We must find some method of paring down these estimates, something similar to the system I have already mentioned. Before we know it they will have a hundred on this committee; it will be beyond comparison with the committee of one hundred. When I was head of the Toronto police commission there was a committee of forty and a committee of one hundred; I was asked what the difference was, and I said there were sixty more men on one committee than on the other. One committee looked after the theatres and endeavoured to censor programmes, while the other committee sought to get cooperation in other ways. When my leader was at law school he probably saw some of the work of those two famous committees.

This is an absolute waste of money. Where is the committee to meet; how will it function; how many officials will it have? Is it a military body? I have referred already to one book which was written in connection with cooperation, by Professor Kirkconnell. What has he said? He got up in a lecture at the university of Toronto in January 1942, and said there was no room in Canada for the British-born. In his book for the government he glorified the Japanese, saying there were fewer Japanese than British-born in the law courts. Now he has changed his tune and is writing different pamphlets on communism all the time. I suppose this new committee on cooperation in Canadian citizenship will take university professors who are free in the summer months and have them write another book. Probably the committee will have secretaries, under-secretaries, managers, assistant managers, and so on; they will set up an office here in Ottawa; they will have regional committees all over Canada, and the thing will be ridiculous. I cannot find any such committee in England. This committee is to cooperate in connection with citizenship. What does citizenship mean? It means different things to different people. Some who come here will accept all the privileges of Canadian citizenship but will do nothing to defend the country in time of war or to aid the government in prosecuting the most disastrous war the world has ever known.

We should cut out a great many of these frills. I predict that next year this item will be for $100,000, and I think this is a great waste of money. I suppose there will be lectures all over Canada, radio appeals and all that sort of thing. I think it is just a lot of humbug; that word is very often used in the British parliament. You cannot fool the public this way, the taxpayers are getting sick of this sort of thing. All sorts of committees, control boards and so on have been foisted upon parliament, and we have nothing to say about it. I protest; I think the whole thing is becoming farcical; almost every day we are appointing another committee. I move that the item be reduced to $1; that is enough.

Mr. HLYNKA: I happen to have followed the work of this branch perhaps a little more closely than some hon. members, and I feel that I may be in a position to say something which may throw some light on the subject under discussion. In the first place I wish to congratulate the minister upon having refused to do away with this branch of his department. In my opinion the personnel of this branch should be increased to at least fifty. I am not sure whether many hon. members know there is a similar department in the United States. Too many of us, I think, do not realize that some people who come here from other countries encounter certain special difficulties and problems in which they require assistance and guidance. This branch studies these matters and makes suggestions to various departments of government in regard to these problems.

I know personally some of the men in this branch, and I have had the privilege of appearing with a number of them on platforms addressing various ethnic groups and trying to bring them together in an effort to find a common ground upon which all of us could meet. In the United States there is issued a publication known as "Common Ground", and the title itself suggests the material it contains. This particular publication is devoted entirely to the problems which confront different ethnic groups, and those who contribute to it endeavour to point out to the people of the United States that unless they are ready to find a common ground, unless they do their best to unite on major issues facing their country, they cannot pos-

sibly be a strong nation which should be united in regard to all matters that demand unity.

To many of us, it seems that there are no special problems of this kind in Canada. Let me say to the committee that in Canada we need not only a branch of a department of this kind to look after this particular work, but an entire department to handle the different groups and to iron out all the difficulties confronting them.

This committee studies the press in foreign languages and records certain valuable information, and if hon. members would care to drop into its office they would be welcome to all the material which they would care to have along the lines I have indicated. I know that had this committee been in existence at the beginning of the war, the government would not have made the blunder it did in putting the ban on all foreign languages with respect to radio broadcasting during the war.

Let us consider some of these groups. They have been exemplary citizens. Their sons are in the armed services and they themselves are doing their best to help Canada win the war. They have always been an ideal type of citizens. But what do we find? At the beginning of the war the government had not the proper information and advice and it refused radio services to any group which did not happen to speak English or French. In my opinion the government has done itself a lot of harm. Surely we should trust our citizens. We should be intelligent enough to be able to use to our advantage the various languages spoken. Why be afraid of them? As I say, the government made a mistake because it did not have the proper advice in these matters. It, therefore, clamped down on so-called foreign broadcasting in Canada. That, in my opinion, was definitely a mistake.

In the United States the government, if I remember correctly, is broadcasting in thirty-six languages. Why not? Why not use every language we know, and do so to our own advantage? It could not harm us at all. It surprises me to find that some hon. members take it for granted that this particular branch of the minister's department is useless, that it is not rendering any useful purpose to Canada. Personally, therefore, having the information which I have about the work of this department, I strongly endorse and support the government in its appropriation of this money for this particular branch and I should like to see the estimate increased and the personnel of the branch extended.

Let us, therefore, tackle properly the problem which we often call the "problem of unity". Well, you can tackle it only by studying it, and believe me there are in Canada to-day many problems that could be very well ironed out, resulting in unity.

Mr. BURTON: When I noticed this item under this heading in this department I was at a loss to understand why it should appear there. However, after listening to the speaker who has just taken his seat, it has come to me that in all probability this is only a war measure, so to speak. That really astounds me. If it is so, then I would say that this work has been commenced fifty years too late; it should have been commenced years and years ago. I support the hon. member who has just taken his seat and urge that this work be continued, because I know it has great potentialities, and there is a big field for it.

Just how wisely or well the money has been spent I do not know, but I know the opportunities are there to do a really worthwhile work. I differ with the hon. member for Broadview, who I am sorry is not in his place at the moment, when he says that the item should be reduced to the sum of $1. There is great work to be done in this country. I urge the minister by all means to continue with that work. If I may be permitted I would suggest that not only is that work required among the so-called new Canadians but there is room for that education among other types of Canadians. Some of the things that people take exception to in so far as the new Canadians are concerned go back to the doors of those who in their smug complacency think they are the only ones on God's green earth.

Very often in the past new Canadians have been used when it has suited the advantage of others to do so. When times come along in which they do not need this help the new Canadians were simply no good. That does not tend to Canadian unity. It does not tend to build up Canadian citizenship. I wish to draw this to your attention, Mr. Chairman, and especially to the attention of people who hold that view. Some of us are new Canadians by choice. Many of us are Canadians only by accident of birth. Many of us are new Canadians because we came here prepared to do our part as citizens of this country. We came here of our own volition appreciating the benefits and the opportunities of this land. We came here prepared to do our part in return for those opportunities. In this country of ours there is room for many, many more people; but we cannot build up Canada, we cannot build up a true Canadian citizenship so long as we have one section pulling here and another section pulling there. We must build upon a found-

ation that anyone is prepared not only to accept the benefits and privileges of citizenship in this country, but to do his part in his community life as well. As citizens of Canada we must give equal opportunity to all who are willing to do their part.

In conclusion, may I draw to your attention what I find in many cases to be a sore spot with the so-called new Canadian and in their offspring? May I draw to your attention the system that is followed out in the taking of the census in this country? When the census taker comes around he goes into the homes of these new Canadians and their descendants. He sits down and takes their names. He then asks for the racial origin. Let me give you an example of how it works. I know of a case—and there are many others of a similar nature—where the father was born in the United States of parents who were born in the United States. The grandparents had come from the little duchy of Luxembourg. Later on, these people came to Canada. This man married a girl who not only was born, raised and educated in Canada but whose children to-day are the seventh generation Canadian-born on the mother's side. When they try to explain that situation to the census taker he writes down the racial origin as German. As I have said, on the mother's side these people were the seventh generation Canadian-born. Even the grandparents on the father's side had never seen the old country, much less Germany, and yet they are entered on the records as of German racial origin. I have nothing to say about any person's racial origin, but that is what happens in this country. You find cases where certain people's children and their children's children are born and raised in this country and yet we have no Canadian racial origin.

I just leave that with you, Mr. Chairman, and with the hon. members of the committee. I realize that possibly it has nothing to do with the matter that is before us, but it is one part of the many problems that we have to face in this country. Many of those so-called new Canadians are doing their part. I can take you to the constituency I have the honour to represent and show you sons of men who were born in Germany and who to-day are flying over Germany and dropping bombs on it. We have every race, religion and nationality represented in that constituency, and by and large every one of them is trying to do his utmost to be a true Canadian. Let us forget these differences; let us pull together as Canadians and not one pull gee and the other haw.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. LaFLECHE: This afternoon we heard something about Doctor Robert England. I think I owe it to that gentleman and to the committee to say something more about him. He is a distinguished gentleman in the scholastic field, a man who has devoted much of his time to a study of matters concerning the national welfare. But what perhaps attracted me first to him was that he has a gallant record of service at the front in the last war. I note he was awarded the military cross, and was wounded at Vimy. I know, too, that Doctor England was overseas during this war. I honour him as I honour all those who have fought the enemies of Canada. I believe that with his assistance it will be possible to bring this branch to the point I should like to have it brought, one of very real service to the large numbers of those whom we now term new Canadians. There is good work to be done, and it is my intention to see that that work is done.

Mr. GREEN: I was surprised, and a little disturbed to hear the criticism levelled against this work this afternoon. My understanding is that this is really the nationalities branch of the Department of National War Services. The minister will corect me if I am wrong in that.

Mr. LaFLECHE: That is quite right.

Mr. GREEN: It is described in the vote as a committee on cooperation in Canadian citizenship. I also understand that this branch is comparatively new, having been established some time after the commencement of the war, with the objective of ironing out some of the difficulties arising among groups of people in Canada who, although Canadians, were of foreign birth, most of them having come from the continent of Europe.

My understanding is that the purpose of the nationalities branch is to help develop a Canadian outlook. It is to help Canadians of all stocks to meet understandingly on common ground. I believe very good work has been done along that line. Particularly was I impressed by the support given by the hon. member for Vegreville who is the only member of the house born in the Ukraine. He is our only Ukrainian Canadian, and the house is most fortunate in having him here as a member, because he brings us an outlook which perhaps most of us did not have. I thought his support of this work, which he indicated this afternoon, was most impressive and very much to the point.

I hope the minister will not be downhearted or discouraged by the statements made this afternoon, because there is much to be done to build up a Canadian outlook, a Canadian nationality. The work of the nationalities branch is a step in that direction. I suggest that eventually we shall have to have immigration; the work of this branch, which is that of making our people better acquainted; and the work of naturalization dealt with in one department. Immigration, the welcoming of people who come here, and eventually naturalizing them, whereby we accept them into full citizenship, should be handled by one department. I suggest that hon. members turn that thought over in their minds, because I believe in that way we would be able to build up citizenship in a manner which would be much more satisfactory than if the three different types of work continue to be handled in three different departments as at the present time.

I do think, however, that the minister should take warning from the criticisms offered this afternoon, most of which I believe originate in the thought that the nationalities branch might play politics. I do not know that that is so now, nor would I suggest it for a moment. However, that thought may be in the minds of some hon. members. They may feel that whatever government happens to be in power may, from time to time, use the nationalities branch to try to get votes from groups of Canadians of different stocks. For that reason I suggest that the work of this branch must be kept absolutely clear of the slightest suspicion of political interference.

I would warn the minister, too, against expanding the work of the branch too quickly. The vote this year is nearly three times that of last, and I believe it would be wise to make haste a little more slowly. I would ask him, too, to give some further details of the work being done. For example, Canadian clubs in Canada, from one coast to the other are deeply interested in this subject. They want the Canadian people to become acquainted with one another, so that they may help build up a Canadian outlook. Has anything been done by the nationalities branch to cooperate with those Canadian clubs? What other steps of that kind have been taken by the branch?

I am certainly convinced, however, that the objective is excellent, and hope that the work will be carried on. Let me repeat that the minister should not be downhearted or discouraged because of some of the criticisms levelled at the branch this afternoon.

[Mr. Green.]

Mr. POULIOT: Mr. Chairman, I have only a few words to say. The question is not one of encouraging or discouraging the minister, but rather one of seeing things as they are—and no more than that. I would be the last to oppose any move toward Canadian citizenship, but we cannot have cooperation between things which do not exist. Obviously Canadian citizenship does not now exist, and if it is deemed advisable to have Canadian citizenship we must build it, before attempting any coordination. There are many newcomers in this country; there are many refugees, and every one should have the Canadian spirit. It is not enough to have Canadian citizenship; we must all have the Canadian spirit. What is that spirit? It is love of this country before anything else. Some people do not understand it in that way. One considers that love of this country precludes love for any other country. Some say, "We must have the empire first."

The empire is all right, but the imperialist in Canada is a man without a country. He is a colonial; he thinks first of the motherland. I do not say that in any offensive way, I say it in a realistic way. But we who are not imperialists are also colonials because Canada is just a colony in spite of the pompous designation given to this country. I want to make myself clear about this.

A lot has been said about Canada being autonomous, being the equal of the other countries in the British empire. That is the bunk, that is untrue. Whether imperialists are in the majority or not in this country, the password comes from London as far as they are concerned. Everything said in London impresses them to such an extent that they cannot have a really Canadian spirit. So long as there are imperialists in this country; so long as the imperialists rule this country, it will be impossible to have a Canadian spirit prevail. There may be some people who are imbued with the Canadian spirit, but that is not seen in our legislation. I think it should be easy to discuss this matter without offending anyone.

An imperialist has the right to be an imperialist, just the same as one who is not has the right not to be. It is simply a viewpoint. I shall not surprise the committee by saying that I am not an imperialist. I think of Canada before I think of any country in the British empire or anywhere else. But that does not mean that I am an anti-British. The point of view of some imperialists is to call traitor those who do not share their views. I respect the views of the imperialists even though I do not share them, and I ask

for the same treatment. I do not expect them to share my views, at least right away, but I want them to respect my views.

How is it possible for one who is Canadian in spirit to show that he is faithful to his country? It is the simplest thing in the world. In the first place he should have no inferiority complex as far as any other country is concerned. He should consider himself equal to anyone in any other country, not superior but equal. He must not only consider himself so, but act accordingly. Then he must speak the real truth. Why are there difficulties between Canadians at times? It is because the truth is not spoken to all of them. The same gospel is not preached in all the provinces at the same time. There is one kind of thing for one province, and another for another province. Is it any wonder that when people from various parts of the country meet together they are like strangers?

They have not been fed with the same food. The people in Ontario have been told that the people of Quebec are rebels, that they are disloyal to the empire because they do not hold the same views about the British empire being their own country. We may be within the British empire, but we should be Canadians first. This fact is recognized by a large number of Canadians of British origin. Hon. members would be surprised at the number in the armed forces who hold this view. One of the most extraordinary things that has been said is that the French Canadians want to take possession of this country and impose their rule. That is not our point of view at all. All that the French speaking Canadians of Quebec or anywhere else want is to be at peace with their fellow citizens.

They lose no opportunity to help their fellow citizens in the other provinces in times of disaster or catastrophe. Quebec has subscribed very well to all the victory loans. In this loan the village of Cabano, the birthplace of Major Paul Triquet, V.C., was the first place to reach its quota. If we are to have unity, we must act as we speak; we must tell the truth. We should have nothing to hide from our fellow citizens. There are ambitious people who try to create prejudice in order to make a personal gain, but that is all wrong. My hon. friends may go to Quebec at any time and they will see how well they will be received. Good roads have improved the national unity because they afford an opportunity to people from one part of the country to meet those in another part, to talk to each other and to find out that there is really no difference in their problems. There is no difference between a good Canadian farmer in the province of Quebec and a good Canadian farmer in the province of Ontario. even though the one may be French speaking and Catholic and the other English speaking and Scotch Presbyterian or English Methodist or a good Irishman. There is no difference at all. The people should meet together and talk things over. We should not have to listen to such false stories as I referred to this afternoon, stories about the French flag being our flag when everyone knows it is not. That was not told in English, it was told in French. It was not sent over a private network, it was sent over the C.B.C.

Why tell lies? Why give people a false impression of other people? That is my view. That is why I object strongly to the statute of Westminster, which is an act of the imperial parliament. That statute was intended to give the dominions or the colonies—I am calling the dominions colonies on purpose—the impression that they were more important than they really are. We hear about the halibut treaty and things like that. We are told that England was not holding Canada by the hand when that treaty was signed. Why was that? We are not autonomous, according to the letter of the law. There are provisions for disallowance in the constitution of Canada, and those sections have never been repealed. But if we pass legislation for two consecutive years it cannot be disallowed by Westminster. I maintain that we shall have no true Canadian citizenship so long as those provisions in the constitution are not repealed. We are not masters of our own destiny, not even to stay within the empire. We are in a state of minority and of guardianship. That is why I cannot listen to anyone who says we are on an equal footing with the other nations of the British empire. That is my point.

To summarize what I have said, I do not want anyone to deceive the Canadian people. I hope that it will be possible to speak to them the plain language of truth, and the country will be so much the better for that.

The minister has said that the aims of this branch are very high. They are to help the newcomers to become better Canadian citizens. What does he mean by that? It is important that the minister explain what he means by good Canadian citizens. He said that it was an idealistic branch and that he had nursed it. I wonder why he cherishes it so much.

Then he said that Doctor Robert England had accepted a civil service appointment. He said that Doctor England had behaved well during the last war and during this war. That I do not deny at all. But once again, because a man has behaved well in a theatre of war

he is not necessarily qualified for any position or to promote Canadian citizenship. He may be willing to do so but he might be unable to do so. I am all for helping the Canadian veterans, and I have proved it. Only recently the government acceded to my request in favour of a man who had the finest record in the last war. It was not a military organization that made that request but the member for Temiscouata, and I appreciate the fact that the government saw fit to grant my request and to honour this man who deserves public recognition. But that is not all. There is a feeling in this house that a returned man can fill any job in this country.

Mr. CRUICKSHANK: Hear, hear.

Mr. POULIOT: The hon. member for Fraser Valley, for instance, is a very clever member, but I wonder if he could perform the duties of astronomer at the experimental farm. He might be given a preference in such an appointment, but my fear is that he would see too many stars. What I also regret is that some people speak of the military preference in order to catch votes. I say that the returned men have done enough to deserve consideration by this country and to be helped by being put in a position where they can render the best service.

The minister also said that this branch keeps in touch with groups of what are known as new Canadians. Who are the new Canadians? Are they the refugees who come here by the shipload, or are they those who have been freed from anti-nazi camps? I do not know; we should be told.

The minister also said that people come here from other lands to settle in Canada and an attempt is being made to make these people feel at home. How is it done? Is it promoting good Canadian citizenship to make them feel at home?

The minister also said that different matters touching on Canadian citizenship are brought to the attention of these people wherever possible through their own publications. What are those publications? We have not been told.

I should like to have full information about Doctor Robert England, where he was born, how long he has been in Canada, and what his qualifications are for the post. I should like to have the same information with respect to Mr. Tracy Phillips and Doctor Kay, a foreign language newswriter, and the same information with respect to the two editorial assistants. The stenographer was there last year, and I presume she is a good stenographer. But then a director has been appointed this year at $4,500 and a research assistant at $3,600; also two liaison officers, one with the foreign language press and the other with the English and French press. These two are the niggers in the woodpile. I wonder how many liaison officers there are in all branches of the government. There are liaison officers here and liaison officers there. They are the ones who prevent the people from being informed. The press gallery was infested with some of them who were there all the time telling the journalists what to write and what not to write, that if they wrote such and such a thing there would be trouble with Washington or somewhere else. In that way they were trying to get the press gallery to cater to their own views by suppressing views of public interest. That was done by many of them. One of my good friends from Toronto asked a question about one of these men who was spending his time in the press gallery, and it was thought sacrilegious for him to ask that question. But this sort of thing continues and it prevents the Canadian people from getting the news. That is probably the work of liaison officers in the wartime misinformation board. It would be a good thing to know who they are and what are their qualifications. If a military preference is required for the position it would be interesting to know their military record in a theatre of war.

The minister said that Doctor England was a returned man. If one has to be a returned man to get one of these positions, what is the military record of these men, because the same requirement must apply to all? I will leave out the stenographers because there is no conscription for women. A girl is not bound to be a C.W.A.C. in order to be patriotic. But it is important to have the information with respect to every one of these other positions. There is for instance an editor at $2,800; two readers at $1,920. They are pretty well paid for proofreading. I wonder if the proofreaders at the printing bureau are as well paid. Then there are two stenographers at $1,080, and it is stated that there will be additions to the staff this year. The salaries for the present financial year amount to $33,892; bonus, $1,100; unemployment, $75; travelling expenses, $10,000—$10,000 for these people to travel all over the country; printing and stationery, $300; miscellaneous, $1,000. I do not insist on details with respect to the item of $300 for printing and stationery, because that does not seem extravagant. On the other hand some explanation must be given in connection with the $10,000, and we must know what are the directions given these men.

What is meant by the minister when he speaks of Canadian citizenship? He must tell us if it exists and, if it does exist, since when; we must have some information about it. I am rather surprised that the hon. member for Broadview and myself should be the only members to protest against this extravagance, this abnormal increase in bureaucratic inefficiency. I wonder if other hon. members will not join us. I should hope that we might be joined by my hon. friend the leader of the opposition, my genial friend the Minister of Pensions and National Health, the Minister of National Revenue, the Minister of Mines and Resources, the Minister of National Defence for Naval Services, the Minister of Justice, the Minister of Munitions and Supply, my good friend the Ontario whip, and my good friend who defeated the former leader of the opposition. I hope they will all join me in telling the minister that this expenditure is extravagant and that we cannot go on like this. Before the dinner recess the hon. member for Vegreville made a very good speech. I do not agree at all with what he said, but he said it well. But I tell him that even though the intention is good he must not expect anything good to come from this branch. It is impossible, because these people are too clever to do a good job. They are the product of universities; they are the finest of intelligentsia; they are those who will mould the heads of the new Canadians, though I hope not to their liking.

Mr. SINCLAIR: What is wrong with being intelligent?

Mr. POULIOT: Not intelligence but intelligentsia, which is altogether different; intelligentsia is the excess of intelligence. We have it everywhere in the civil service.

Mr. CRUICKSHANK: Go right after him; tell him he will not be elected.

Mr. POULIOT: The hon. member for Fraser Valley is an example of intelligentsia. But it is more than intelligence; it is genius, though I can tell my hon. friend that the genius is not public-spirited. They think of themselves first; they have all sorts of nice little schemes to make a nice little bit, to speak to these nice Ukrainians and convert them to Canadian citizenship; to speak to our good French Canadians and make them still warmer toward Canadian citizenship; to speak to these good Hebrews who have come from the United Kingdom, 973 in one group, and tell them to shave off their beards and look like ordinary Canadian people who are clean shaven. They will tell people things like that, and for that the genius will have two maids instead of one and will have a brand new car instead of his old Ford dating back to 1900.

Mr. SINCLAIR: Are you talking about the genius of Fraser Valley?

Mr. POULIOT: No, I am talking about the intelligentsia now. That is enough of that; there is no reason to go on with it, because at the present time it is ridiculous when we speak of it. As soon as they start their work they will be obnoxious, and there is no reason to pay out this amount of money. As a good Canadian, as one who is proud of his country, I hope the minister will change his view and get back to normalcy by removing this item from the estimates.

Mr. CRERAR: May I trespass upon the patience of the committee for a brief time to discuss some aspects of this vote, which has been under consideration since early this afternoon. I am afraid some hon. members who have spoken on this matter, including the hon. member for Témiscouata, are under a misapprehension as to the purpose of this estimate. Last November I was asked to address a rather unique gathering in the city of Winnipeg. A few public-spirited citizens, some of Anglo-Saxon origin and others not of Anglo-Saxon origin, undertook to organize what is known in Winnipeg as the Canada Press club. This club embraces not only representatives of the English language newspapers but also representatives of the twenty foreign language newspapers published in that city. It was the first time these gentlemen had been brought together; some of them had never met the others. Some had brought to Canada from Europe their old ideas, with perhaps some lingering traces of the old racial animosities. The effort that was made was simply to bring them together to promote understanding, to give them a wider view of Canada, its problems, institutions and form of government.

Well, I was asked to address these gentlemen at the initial meeting, and I was profoundly impressed by what happened on that occasion. I endeavoured to explain, I am afraid somewhat inadequately, some of the aspects of Canadian life that were new to many of these people, some of whom had come from Europe only recently or at any rate within recent years. Practically all of those who attended had a word to say. I recall that one was a Sudeten German refugee whom I had the pleasure of admitting to this country in the autumn of 1938. I was greatly impressed by the manifest desire of these gentlemen who were the editors or publishers of these foreign language newspapers to be identified as

Canadians. During the debate to-day I have heard the term "new Canadians" used. It is rather interesting that this phrase was referred to by one of these gentlemen in his remarks on this occasion. He said, "Why should we be called new Canadians? We are no more new Canadians than are the people who have come in recent years from Scotland or Ireland or England or the United States. We are Canadians; Canada is our home. We want to be citizens of Canada. Some of us are citizens of Canada now. We look forward to having our children educated in Canada. We look down the vista of years when we and our descendants will be Canadians; not new Canadians but Canadians in the full sense of the word."

When I left the meeting I happened to walk out with the late J. W. Dafoe. I asked him, "What impression has this meeting to-night made upon your mind?" He replied at once, "The strong desire manifest in the minds of these gentlemen to be recognized as Canadians and to be recognized as taking their full part in our Canadian life."

There is not a member of this house; there is not a good citizen anywhere in this broad dominion who would not welcome that spirit, because it is upon that spirit that we are going to build our Canadian nation.

If the committee will bear with me, I should like to give another instance that happened within my knowledge. It happened less than ten years ago in a district that was almost solidly Ukrainian. Our Ukrainian people in Canada are fond of social life. In almost every rural Ukrainian district, at any rate those I have visited, one will find the Ukrainian community hall. Moreover they are fond of having picnics. Well, on this particular occasion a picnic was being held in this village. I was asked if I would address an assembly in the afternoon along with several other speakers. I demurred because I did not speak the Ukrainian tongue, but my Ukrainian friend said that would make no difference because they all understood English except perhaps a few of the older people who were well advanced in years when they came to Canada.

I should like to tell the committee about that gathering, if I may be permitted. There was a band composed of local people who gave music in the afternoon, and I may say it was an excellent band. After the speechifying was through I walked across two or three blocks to where a baseball tournament was in progress. The teams were wholly Ukrainian young men, but the jargon, if I may term it such, on the baseball field was what one would have heard in any English-speaking community. Some were for killing the umpire—

Mr. MAYBANK: If the hon. gentleman will permit me, on the first base line it is patter, not jargon.

Mr. CRERAR: I am thankful for the correction from my hon. friend the member for Winnipeg South Centre. At any rate, the point I wish to make is that the proceedings were all in the English tongue. In that gathering of over a thousand people I heard twice as much English spoken as I heard Ukrainian. In the evening a few youngsters of eight or ten years of age were playing on a vacant lot across from the little hotel where I was staying and they were carrying on their game wholly in English. That I think is a significant fact.

There is one other thing I would mention. The enlistment among all these Canadians who came from European countries has been admirable. I will speak particularly to-night of the Ukrainians. Ukrainians have enlisted in our armed services, not in hundreds or in thousands but in tens of thousands. They are to-day on every battlefront where Canadian troops are engaged. Some were at Hong Kong, many are in Italy, many are in Britain, and some are still in Canada. Why did this happen? These young men were glad of an opportunity to serve their country in the highest form of service that any individual can give.

We have, therefore, no reason to complain of the vote which the Minister of National War Services is presenting to the committee. Those of foreign extraction, if we may use that term, are of all professions in Canada, they are in business in Canada; they are on the farms of Canada; they take their place in rural municipal councils and in our legislatures, and I am very happy to say, and I am sure the committee share the sentiment, that we have in this house a member of the Ukrainian race. I do not altogether agree with his political theories, but I wish to say that he is an acquisition to the house. In the Manitoba legislature, with which I am more familiar, there are seven Ukrainian members, one of whom is the deputy speaker in that legislative body. There is no one who knows the facts who will deny that they are making just as fine and full and useful a contribution to the public business of the country as any other group in our population, and I do not except even those of Anglo-Saxon origin like myself.

The purpose of this vote is simply to broaden the knowledge of the place that our Ukrainians

and others as well, Germans, Czechs, Poles, Hungarians, have in the Canadian mosaic of our citizenship. I cannot see why that is not well worth while. I have some personal knowledge of the benefits that have flowed from the work done under this vote, and I would be very sorry indeed if the judgment of the committee was adverse to it. I am sure it will not be. I am sure there will be general recognition that the vote is serving a very useful purpose.

After all, these Canadians, I care not from what country of continental Europe they came, are making their contribution to our Canadian life. They are making their contribution in agriculture, in the ranks of labour, in our factories, in the professions and in the arts. I believe they have a great contribution to make in what might be termed the aesthetic side of our life, a side often neglected and overlooked. In the arts, and particularly in music, these people have distinguished themselves and have made and are making a splendid contribution to our culture.

I merely wished to make these few remarks in the hope that the committee will agree to the passage of the vote.

Mr. POULIOT: I am so delighted with the Minister of Mines and Resources, who is now leading the house, that I will not insist any further on the point.

Mr. ROSE: I agree that we need such a committee because we have in this country people of various nationalities who have to be drawn closer to what we would call the Canadian ideology, people who do their utmost for the war effort. If you go to the steel mills and the aircraft plants, if you go to the factories around Montreal, you will find people who have come from Europe who are producing the weapons of war and who are subscribing money generously to every war loan. They want to do their best for Canada, but it is not very easy for them at times. I have come across Canadians who have come from Europe who, when they had gone to look for a job, were asked what nationality they were. One of them was either Ukrainian or Polish, and somehow or another that fact did not go over very well. They had very great difficulties in procuring employment. I have had people come to me with compensation claims. Everyone of them claimed they could not get the same type of justice as others did. They could not explain themselves very well. They needed somebody to help them.

I would say that the committee as at present constituted is not the best committee that we should have. We have an advisory committee. That advisory committee is composed of English- and French-speaking Canadians. Why should not there be Canadians of European extraction on the advisory committee, people who have been in this country for a long time? They know something about their people; they know something of their problems. If we must have an advisory committee we should have on it representatives of at least the larger groups of European origin in Canada. There is one man on this advisory committee with whom I want to deal to-night, namely, Watson Kirkconnell. I should say from the start that Professor Watson Kirkconnell cannot make good Canadians. Watson Kirkconnell could advise nobody on how to integrate those people into the war effort. Watson Kirkconnell does not possess the spirit of the united nations. Watson Kirkconnell is at war with the members of the united nations. Those charges may sound drastic. I do not resort to them often, but in a corner store on Sparks street I picked up a little booklet cynically called "Seven Pillars of Freedom". Here are some extracts from that book, and I say to you, Mr. Chairman; that a man who writes this type of material to-day can only do harm to the war effort, to Canadian and united nations unity. He cannot advise anybody on how to be a good Canadian. Speaking about terror, Watson Kirkconnell says the following:

> As for the continuing terror, Hitler's concentration camps and party purges have taken at least five million lives (quite apart from the vast destruction of the war); while the Soviet regime, in maintaining its iron rule over the Russian people, has done to death in the neighbourhood of twenty-five millions.

Stalin, according to Kirkconnell, is five times as bad as Hitler. This is said by a man who is going to educate the people to be good Canadians and good followers of the united nations:

Mr. GAUTHIER: What is the truth?

Mr. ROSE: We shall discuss that at some other time.

Mr. JAQUES: It is true.

Mr. ROSE: I am not surprised at the hon. member making this statement.

Then a little farther on, Watson Kirkconnell makes the following statement:

> It is little wonder that the Finns have so long been staging their queer sit-down strike on the frontiers of Russia, since they know all too well the probable results of "unconditional surrender" and the occupation of their country by Soviet troops.

Hitler said the same thing a few weeks ago in an interview with Stockholm correspondents.

He said that the Finns should not give up; that they should continue fighting. Watson Kirkconnell tells the Finns the same thing.

In speaking about wages and aid to widows in the Soviet union, Watson Kirkconnell has the following slander for the Soviet people. I say it is an outrage.

Obviously the widow—

Who, according to him, does not get enough support.

—is forced into industry or prostitution.

We have heard from people who have come back from the Soviet union, and others, that the Red army has no venereal disease. Watson Kirkconnell has the temerity to say that women who work to give arms to that army do so because they are forced to work or become prostitutes. Remarks like that from an adviser to people in Canada are an insult to the heroic Soviet women and to an ally.

What has he to say about Stalin? These are his words:

It began with the promise of democracy; it has ended in the reign of a vozhd more absolute than any Czar.

The word "vozhd" means "leader." I should like to read what a leader of the united nations, Churchill, thinks of Joseph Stalin, according to a speech he made a few weeks ago. This is what he said:

The peoples of all the Russias have been fortunate in finding in their supreme ordeal of agony a warrior leader, Marshal Stalin, whose authority enables him to combine and control the movements of armies numbered by many millions upon a front of nearly two thousand miles and to impart a unity and concert to the war direction in the east which has been very good for Soviet Russia and very good for her allies.

Watson Kirkconnell is also supposedly a specialist on the Yugoslavia situation. In a little booklet also sold in the store around the corner he makes the following statement:

No people of Europe have a more heroic record in this war than the Serbs. Among them, no hero is more glorious than General Draza Mihajlovic.

I shall go back to Churchill to see what he has to say about General Mihajlovic:

General Mihajlovic, I much regret to say, drifted gradually into a position where some of his commanders made accommodations with Italian and German troops, which resulted in their being left alone in certain mountain areas and in return doing nothing or very little against the enemy.

Contrast what Mr. Churchill has to say with what this great adviser, Mr. Watson Kirkconnell, said.

Mr. HANSON (Skeena): What is the hon. member reading from?

[Mr. Rose.]

Mr. ROSE: A book entitled "Third Year of Guerilla," by D. J. Tosevic, with a foreword by Watson Kirkconnell. Again I say that it is impossible for a man like Kirkconnell who thinks as he does, not to be partial, not to play with a small group of Ukrainians who happen to fall in line with his ideology, not to play with a small group of Yugoslavs who think as he does. That is not unity. That is unity with small groups, small cliques. I would say that Watson Kirkconnell must go from that committee. He has no place on it. A book like the one I mentioned, "Seven Pillars of Freedom," should not be tolerated at the present time in this country. What is more, I should think that article 39-A of the defence of Canada regulations is a good article with which to deal with Mr. Watson Kirkconnell.

Mr. ROSS (St. Paul's): I do not intend to follow the hon. member who has just spoken. I am sorry to think the hon. member for Temiscouata has an inferiority complex and considers he is still a colonist. I do not think I am colonist. I do not think Canadians are colonists. I think it is all nonsense to talk as if we were colonists. We are not colonists. We are a free and sovereign country. We ought to be proud and should not have that inferiority complex attitude. As long as we have that kind of thinking, as long as we think we are inferior, Canada will never take her place as a great nation in the commonwealth of nations. I visualize Canada not as a nation of 11,500,000 people, but as a nation of 25,000,000 to 50,000,000 some time. We shall never get there if we continue thinking with an inferiority complex. We all know that we rule ourselves, that we make our own laws and can do just as we like. What is the use of talking such nonsense?

We want to think about the British empire and the British commonwealth of nations, not of the mistakes which have been made but of the great things that the empire has done. It has been the greatest force for freedom the world has ever known, the greatest force for liberty, the greatest force for the institution of self-government, the greatest force for freedom of speech, as illustrated in our parliament, and as we have just heard.

I am in favour of setting up this board and, provided it operates in the right way, I believe a great deal of good work can be done. New Canadians want to be Canadians. I have known many of them, and I know of the good work being done by those men from various European countries. As a matter of fact, the forbears of many of our people came from the British isles. Some of my forbears came

from Scotland, and others from England. People who come from the British isles may be called new Canadians. When they come here they are Canadians, I do not care what anybody says.

Difficulties in connection with racial prejudices and religious prejudices must be ironed out. If we are to have unity in Canada we must do something to iron out those prejudices. Let us keep our traditions; let us remember the past; but for goodness sake do not let us always be harping on the mistakes made hundreds of years ago. Let us think of Canada as a Canada in the great British empire; let us remember what that empire has stood for in days past.

To do its best work for Canada this board must work in cooperation with the educational institutions of our country. It can do much in guiding the work of our schools. Whether we have national unity or do not have it depends upon the work of those schools more than upon what is done by this board. It depends upon what our schools are going to teach our people, and upon whether they are going to teach the best and not the worst of our history, the best of the history of Scotland and the best of the history of Canada. But do not let us have any inferiority complex; do not let us always harp back to some grievances which took place many, many years ago. If we do that we shall never have national unity.

Let us think of Canada as a country of great possibilities; let us think of it as a country in which fine citizens of the future may be made, the same kind of citizens who in the past carved their livings from the woods of this country. Let us not forever have an inferiority complex, expecting the government to do everything for us; rather let us recognize the spirit of free enterprise and democracy. There is lots of room for a great Canada, and that is the way we are going to get it. A board of this kind can be very useful. I have not mentioned one class specifically as being new Canadians, although there are plenty of them. There are Ukrainians, and many other groups. I know what fine citizens they are, and the work they have done in this time of war. Those, like our pioneers, are the people who will help make this country great, and I believe this board can render great service in straightening out the little difficulties and misunderstandings which might arise in our dealings with those new citizens. It could be of great assistance.

Mr. BRUCE: Mr. Chairman, I should like to say a few words at this time. I was called out of the chamber a few days ago on official business when the hon. member for Rosetown-Biggar spent some time in trying to disqualify Mr. C. L. Burton as a suitable chairman of the war charities committee. In other words, the hon. member thinks Mr. Burton is not competent because of views he expressed in an interview, based upon his experiences when he was compelled to earn his own living at the age of fourteen, and the fact that he could not afford a university education.

May I point out to the hon. member that all education is not necessarily obtained in classrooms; rather, only a very small part of it is obtained there. Some of our most highly educated and cultured men in Canada to-day, of whom Mr. Burton is one, left school in their early years, even as early as the age of fourteen. It is Mr. Burton and men like him who have been responsible for creating the great industries in our country which, with the loyal help of labour, have made possible Canada's great contribution to the winning of the war. But Mr. Burton needs no eulogium from me; his work speaks for itself.

I am afraid this bad habit to which I have referred has been spreading of late. When I find that Mr. J. W. McConnell is on this committee I recall that on another occasion the hon. member for Lethbridge made some uncomplimentary and, I thought, entirely unjustified remarks about him. Mr. McConnell, like Mr. Burton, started life as a poor boy. His parents could not give him the advantages of a university education; but because of his natural ability, his great energy and splendid character he attained his present position as one of the great industrial and humanitarian leaders of Canada.

The habit of men like the hon. member for Rosetown-Biggar and others of besmirching the character and integrity of our leading citizens tends to discourage such men from giving public service, and is therefore much to be regretted.

Mrs. NIELSEN: Mr. Chairman, I should like to assure the minister that I support the idea behind the committee now under discussion, provided that committee is really promoting the national unity which we all so much desire. For my own part, I think that in addition to the work of such committees, the best thing we could do to promote national unity and to give people in Canada who come from other countries a sense of being truly Canadian would be to see that they have equal opportunities for education, for employment and for all the other amenities of life in Canada.

I myself was not born a Canadian. Those of us who were born in other countries must naturally take an interest in the countries

from which we came. However, I believe I am not even second to the hon. member for Témiscouata in my pride at being called a Canadian, wanting to be called by no other name at the present time. I believe the future of all countries belongs to the peoples who live in them. Although I am interested in the people in England, I believe the future of England and its destiny should be looked after by the people who live there, and not by people living in Canada. The destiny and the future of the people who live in the Ukraine is the responsibility of the people living in the Ukraine, and not of the Ukrainians living in Canada. The future of Poland should be looked after by the people who live in Poland, not by Polish people who live in Canada. The first and foremost duty to every person who lives in Canada, from wherever he may have come, is the destiny of Canada itself, not the destiny of any other nation. The thing that matters to all of us is the future course which Canada takes; the national unity which we promote must be for the good will of all people who earn their living and who help to add to the national income and the betterment of Canada itself.

If this committee is really helping to promote unity in Canada, it is a good thing. But if by any chance there are those who have influence with this committee and who, instead of doing that, are in sly ways keeping alive in the minds of some of the foreign born people of this country old conflicts and ideas which they have brought from the old country, then I would say definitely that this committee is not acting as it should for the unity of Canada.

Some hon. members may have thought the remarks made to-night by the hon. member for Cartier were a little extreme, but I would support what was said by him. I believe that if every honest Canadian who sits in this chamber had read the last book by this man Kirkconnell—I hesitate to call him a professor because that would disgrace the title of many other good men—if they had seen the strong political trends which are so apparent in all his writings, if they realized that this man acts in an advisory capacity to this committee, they would realize that he is not the man to promote national unity. He has written a number of books, the last one being entitled, as has been said already, the "Seven Pillars of Freedom." He professes friendship for our ally the Soviet Union; yet his book is full of sly slanders against that country and its people. He attempts to mislead the people in an artful way and not let them really see the intent behind his book.

I do not want hon. members to think I am defending communists as such. I think every-

[Mrs. Nielsen.]

one knows that the communists do not need anyone to defend them. Their matchless loyalty to the cause of the peoples of the world, their intelligence and heroic fight against the rising tide of fascism when the majority of us did not even know what it meant, will stand the test of time. They do not need me to defend them. This man Kirkconnell says in his book that he expects all communists will attack him and his book. To me that is a sign of his own guilt. He knew perfectly well he was guilty in writing the book, but he had a definite purpose in mind when he wrote it. Anyone who is honest, anyone who is desirous of maintaining unity within the allied cause will realize the disruptive nature of the material which this man is trying to disseminate through this country.

One fact above everything else which is true during this war is the necessity we have for allies. None of us can stand alone in this global war. We shall need these allies in the peace which is to follow if we are to maintain the peace on a global scale also. The future of Canada rests upon two things. First of all, it rests upon a united nations victory. It then depends upon the united nations being able to maintain peace and cooperation among the nations. It depends also to a great degree upon the ability of Canada to export her raw materials, foodstuffs and manufactured articles. Any person or any group acting in an advisory capacity to a committee of this type who deliberately attempts to destroy any chances Canada may have after victory of cooperation with the great nations or of establishing trade relationships with our allies is definitely a traitor to this country. I should like to quote from a speech which was made by Professor Ernest J. Simmons, of the department of Slavic languages of Cornell university, made before a business men's luncheon in Toronto on November 13, 1943. He said:

> The time has come to plan for the peaceful resumption of trade with the Soviet Union. In this I am sure that Canada will play a significant role. The path of trade is the path of peace, for where diplomats may bring nations together with ties of silky words, commerce can unite them with hoops of steel.
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> In looking at the vast possibilities of trade with Russia, you must think of their immediate needs as well as post-war. Recently I asked the head of Amtorg, the Soviet commercial agency in America, what Russia's purchasing market would be on this side of the water. The impression he gave me was staggering. He mentioned among other items machine tools. I suggested it might be advantageous to place orders now since no doubt we should be running a surplus of these products even before the end of the war. He smiled and said that huge orders for Russia's peace time consumption of machine tools had already been placed. The Russians move fast. And so must big business in Canada.

He continues:

If Canadian business is to compete on equal terms with its rivals education concerning Russia is essential. Equally essential for future security and progress is for us to rid ourselves of political isolationism, which is a reflection of intellectual isolationism. The intolerance often manifested towards the people of Soviet Russia as well as towards other peoples, is born of ignorance of their way of life.

This man Kirkconnell is not ignorant of their way of life. He has deliberately distorted and misrepresented things for his own end, so that the Canadian people will be confused even more than they have been in the past over this question. Do Canadian business men want such distortions of the truth? If the business men of Canada are to have a chance with our Soviet ally after the war we shall have to build up trust, not create mistrust and suspicion which had their places in the uneasy days from the last war to this war. We must build up a different understanding; we must be prepared to cooperate in peace as we have cooperated in war.

We do not need a man of Mr. Kirkconnell's type spreading slanderous propaganda around the country and largely destroying the opportunities which it is necessary for us to have in the future. I do not believe that either Great Britain or the United States will act in this way. They will do everything possible to build up trust by their people in this ally, so that after the war their business interests will be secure. We do not want Canada put down in third place; we want Canada in first place in having opportunities for trade after the war.

I do not intend to place any more excerpts from this book of Kirkconnell's on the pages of *Hansard,* because I should not like to sully the pages of *Hansard* with such slander. What the hon. member for Cartier has put on the record is all that is necessary for the purpose. If any hon. members are interested they can read for themselves what has been said in this book. I should like to compare that with what was said recently by a great Canadian; at least I think of him as a great Canadian. I refer to Mr. Brockington, K.C. I shall always remember that Mr. Brockington was responsible for bringing Sir Norman Birkett to this country in 1941. I shall always remember his clear exposition of British democracy, which was like a fresh wind in the somewhat fetid atmosphere in Canada at that time. Mr. Brockington is known throughout the empire as a purveyor of good will. He does not take the attitude of this man Kirkconnell, and this is what Mr. Brockington had to say at the Canadian-Soviet Friendship Congress held in Toronto, on November 12, 13 and 14, 1943:

Into the consciousness of us all there has come some knowledge of a land with a sacrificial passion for education, that has raised the number of its school children and students from 8 million to 47 million, of its high school pupils from 1 million to 12 million, of its university students from 100,000 to 600,000, that has built more schools in 20 years than the governments of the Czars built in 200 years, of a land where work is the right of all, but, more important, the duty of all.

Where motherhood is a sacred calling and sickness a national calamity.

Where hundreds of devoted scientists follow knowledge like a sinking star and willingly and freely share their achievements with all; where the only hero is a man of action and a man of honest toil.

Where art and music and a strange living beauty walk unchained amongst the people. Where there is no racial inequality amongst 150 diverse peoples and men really believe that "the good Lord has written one sentence of his thought upon the cradle of every race." Where men worship in their own way in the fullness of freedom.

Those are the words of Mr. Brockington, and that is the kind of idea we should spread among our own people, belief in our allies, belief in our ability to work with them for victory and for peace after victory—not to have the name of a gallant ally scurrilously misrepresented and distorted and placed before our people in such a way as to destroy their faith in it. I would feel that this man Kirkconnell is a most undesirable person to have acting in an advisory capacity to this committee. I know he has more than once been recognized to be spreading propaganda of an evil character. There was a time when he was speaking before the Canadian club of Toronto, away back on February 1, 1943, and his speech was to have been broadcast, but after the Canadian Broadcasting Corporation saw the text of it they regarded it as so subversive in the breaking down of unity and in the spreading of prejudice that they did not allow his speech to be broadcast over the air. I would say that such a person definitely should have his whole record looked over, and I certainly hope that the minister will do this before he allows this man to act in any advisory capacity whatsoever. I am sorry to have to say this but I think I must: If the minister does allow this man to stay on in the service of this country in any capacity, and I believe he also acts in some capacity for the Minister of Justice, it can only be understood then that the ministers who employ this man are in sympathy with his ideas. Perhaps I should not call them ideas but rather phobias, because they are not just ideas. I would be

sorry to think the minister of this department would share anything with this man Kirkconnell.

I can only say in closing, Mr. Chairman, that any man who does as this man Kirkconnell deliberately does, distort the truth, should suffer as Mr. Churchill says all people should suffer who seek to destroy the unity of the united nations. Speaking in the House of Commons at Westminster, Mr. Churchill once said this of people who try to destroy unity, and I stand by these words:

> Whoever by word of mouth or by written statement attempts to destroy the unity of the united nations, it were better for him that a millstone was hung about his neck and he were cast into the sea.

Mr. LaFLECHE: Mr. Chairman, we have heard this evening what I really think is a pity. We have heard one person after another disparaged for something that has no connection with the item before the house. I would much rather listen to a discussion for the development of Canada or for our own edification and happiness. I would much prefer to hear the hon. member for Parkdale speak as he did this evening. We all know many men who give of their time and their strength and, though not as important, of their money, to work for Canada. They are men of good will, and when I think of those gentlemen, whether it be Mr. Burton, Mr. J. W. McConnell or anybody else, however powerful or however humble, who gives of himself for Canada, particularly at this stage of the world war, I cannot help being reminded of what the angels sang, when our Saviour was born: "Peace on earth to men of good will". There are many men of good will. Let us honour them.

Mr. REID: The setting up of this committee has given rise to quite a number of speeches this afternoon and evening, and as I listened to them I could not help coming to the conclusion that this subject is of great interest to each and every member of the house. The hon. member for Vegreville spoke particularly well. During his speech he asked why people like him who were born in European countries and came to Canada should be called new Canadians. As one who was born, not in this country, but in Scotland and came to Canada in 1909, if I give to him and to the house the viewpoint I had before coming here, it will perhaps answer his question why those from European countries who come here are looked upon as new Canadians rather than those of us who come from England, Ireland or Scotland.

When I left Scotland in 1909 to come to this country I felt that I was coming to a part of my own country because, whether we like it or not, the fact remains that Great Britain had at one time conquered this country and at the time I came here Canada was looked upon as a colony of Great Britain. It was a British country, so that when I came here as an immigrant in 1909 I felt that I was coming to a part of my own country where the language I spoke and the life I had led in Scotland would be understood and find a ready response. When I say, Mr. Chairman, that I knew the language or tongue I spoke would be understood in Canada, it may interest the house to know that I have at various times been called a foreigner, and when I first came to the House of Commons it was said that I spoke neither of the two official languages here. But I would have you bear this in mind, that nevertheless I was always able to make myself distinctly understood, and when I read my remarks in *Hansard* I am sure they compared favourably even with those of members who had won a Rhodes scholarship in Canada. So that I have no apologies to offer in that respect. I well remember the hon. member for Comox-Alberni and myself going before a committee of this house to oppose a certain group from the province of British Columbia. We went before that committee to oppose the Japanese delegation who also appeared before it; and I remember that the reporter in Ottawa for the C.C.F. newspaper wrote what I thought was a rather cheap criticism of our attempt to do some good, when he referred to the hon. member for Comox-Alberni and myself as two foreigners who were more or less on a par with the Japanese. However, the Scottish people always have been of a very forgiving nature and we just let that remark slide.

With regard to this committee and the work it will have to do in Canada, it seems to me that very often the emphasis is placed upon what Canadians should do for the various groups in this country. During the years I have been in this country I have come to the conclusion that perhaps we should ask the groups who come here to do something for themselves. It may well be that we are suspicious of them, that we are somewhat jealous of them and perhaps do not welcome them into the community as cordially as we should. I for one, however, do not see how we can ever become a united country, and a great nation if we allow certain groups within the country to live off by themselves, speak their own language and practically carry on as they did in the country they left. Something has been said recently about Russia and the communists. I am not going to enter into a discussion of those matters to-night, but I have heard a great deal of talk by people who have come from Europe and who belong to the

communist organization, on the subject of what a great country is Russia. I well remember that during the unemployment years from 1930 to 1938, when people were on relief, I found upon investigation that not one of these Europeans was willing to return to Russia or any other European country, but I learned that some 60,000 people had made application to be returned from Canada to Great Britain, and I say that with a great deal of pride. There must have been something worth while in the British isles when 60,000 people in this country would request that they be returned there during those trying years, while none of those who were condemning the country, the government, the system and everything else, requested that they be sent back to the land of their forefathers.

Therefore, Mr. Chairman, I say in future we shall have to be more careful than we were in the past in admitting people into this country; and I do not say that from any wish to put up the bars against immigration. In the past, however, we have permitted to enter this country certain races who can never become really true Canadians. There is the question of blood. I do not see how you can ever mix Asiatic blood and our blood and make a better race. We must face these facts. We had nothing to do with making the black man, the red man or the white man, but the facts are there; and from my reading I have come to the conclusion that wherever the experiment of mixing oriental and white blood has been tried, the resulting progeny has not contributed to the uplift of the race but rather has been a retrogression. So that I say that in future we shall have to give more careful consideration to the kind of people we permit to enter our country for permanent residence.

Then there are the classes or groups of people who have come to Canada and successfully defied our laws. I do not know how this problem can be met. We have in British Columbia a group known as the Doukhobors, who were brought here under order in council. We in British Columbia seem to be alone in our troubles in that regard; at least no other province has the same problem to face. These people do things which are contrary to our laws; they do things we believe to be disgraceful, but nothing has been done to make them obey the law. If any group from the British isles, a group of Scotsmen or Englishmen or Irishmen, had undertaken to disobey the laws of this country, strong measures would have been taken to make them obey; and no matter what it cost I would see to it that every citizen of this country obeys our laws. Until we face actual facts and make up our minds that this must be done, I believe we shall always have trouble. I do not think the fault is altogether ours. These people are living their own lives, speaking their own language and going their own way. They are doing well, far better than they would have done in Russia. They are living much happier lives than they would live in the country they came from; at least that is what I have been told by those to whom I have spoken; yet they are not willing to obey the laws of Canada. This is one of our great problems. If this committee can solve it they will receive all the encouragement and support I can give. This problem has faced every government in the past, however, and is likely to face our governments in the future unless something quite different is done.

I rose particularly to mention these groups within our country and to say to the Minister of National War Services and the Minister of Mines and Resources that those who wish to come to this country after the war will have to be more closely scanned. I for one would not permit any large number of people to take up permanent residence in this country if they could not be assimilated. From some quarters we have heard criticism of the Jews. I do not suppose any country on earth has treated these people better than they have been treated in the British isles, where they look upon those of other racial origins in a different way. We are a little jealous of the business acumen of the Jews; we back away from them, but the Jews who have gone to Great Britain have spurred the British people on to greater efforts in the way of business, and they have been accepted in that country as in no other country on earth. I think we can learn a great deal from the British method of handling these people, notwithstanding Lord Vansittart's statement that the British have been the most foolish of all nations in the handling of foreigners.

A little later in the session I intend to deal with the oriental question, but this is all I have to say at the moment.

Mr. ROSS (Souris): In view of certain statements made during the debate this afternoon, I should like to say just a word in support of this item for cooperation in Canadian citizenship. I was greatly impressed with the remarks of the hon. member for Vegreville this afternoon, the only person of Ukrainian nationality in this House of Commons, and a very worthy member who on many occasions has contributed greatly to the debates of this house. In the province of Manitoba from which I come, some seven members of the legislative assembly are of the same racial origin, and on various occasions these members have made worth-while contributions not only to the debates of that chamber but in various

other ways. In the prairie provinces we have many citizens of various racial origins, and I have been surprised at the extent to which they favour an all-out war effort, giving a lead in this respect to many of our citizens who were born in this country. We may well be proud of these people.

For some years I have been concerned over the lack of pride in Canadian citizenship exhibited in certain sections of Canada. This, I believe, has been due principally to lack of leadership in certain high quarters of this country during the past generation. I cannot help thinking that. One probably should not make comparisons, but that great cosmopolitan nation of various racial origins, the United States of America to the south of us, does exhibit far greater pride in national citizenship in its country than we find throughout the Dominion of Canada. For some reason or another that is the fact, and I think we should try to find out just what that reason is and do something to foster greater unity of pride in the citizenship of Canadians. I believe that all our people should unite in a much greater feeling of pride in Canadian citizenship and in all the worth-while successes of this nation. As was pointed out this afternoon, I think something should be done, in the taking of the census in Canada, whereby persons born in this country might be regarded as Canadians rather than as entirely of the racial origin of their father's side of the house. I am sure this would add greatly to pride of citizenship on the part of people of different racial origins. There should be an amendment in this direction.

I suggest also that there should be some amalgamation of the various services which are split up at present under four departments. We have under the Department of National War Services this item that we are now considering for cooperation in Canadian citizenship. This is something that appears as well in the civil estimates. We have in the Department of Mines and Resources the matter of immigration to Canada. Then we have under the Secretary of State the matter of naturalization, while we have under the Department of Trade and Commerce the taking of the census once in so many years. It seems to me that sound business suggests that these four matters should be consolidated under one department which might be designated the nationality branch.

I am one of those who think that in a country such as Canada, with our vast undeveloped natural resources, our very cheap electrical power and the possibilities for the development of cheap electrical power, we might well expect, during the generation following the cessation of the present war, a population of from thirty to fifty millions. That being so, it means that we shall have to have far greater immigration on a selective basis, which is a matter that the authorities must take into account and to which they must give a great deal of thought.

I simply want to add this word in support of the vote before us. I do not think the vote for the work that is being done in this regard is enough. In the public accounts, if I may be allowed to refer to them, there is an item of expenditure for the year ended March, 1943, for a gentleman named Simpson, who comes from Saskatchewan, and who has done splendid work in cooperation in Canadian citizenship. I am informed that though these people have been doing great work during the past year, there has been a cessation or a let-up in their activities. That should not have been permitted, and I should like to have an explanation from the minister. I think he should let us know why there has been a let-up.

In my opinion this vote is well worth while. Indeed, I think there should be a great deal more work in this connection. I simply want to add my word in favour of the work that is being done in this regard. Many of these people do not like to be called new Canadians. Many of them are younger people who were born in the country and they make splendid citizens. I think we should have a greater mixing of racial origins throughout the country. We should put ourselves out to bring about a greater assimilation in various districts throughout Canada. I would appreciate it if the minister would explain the let-up in the work in the past year.

In conclusion, may I express, on my own behalf and, I believe, on behalf of my colleagues, our appreciation of the work that is being done, and urge that it be augmented.

Mr. LaFLECHE: There was less of a let-up than is supposed, in that it did not grow as I had desired. This afternoon I explained how this particular branch, in an extraordinary manner, had been held up by the sickness of the members of the small staff. There were other reasons why it did not grow faster. There was the difficulty of getting proper staff, the difficulty of getting a man to head the branch such as we have now. The increased vote is the measure of the importance I attach to the matter, taking into consideration that one cannot overnight increase the branch several times over with any degree of efficiency. One cannot grow too fast.

Mr. HANSON (Skeena): At the outset, Mr. Chairman, I wish to assure you that I am very much in favour of the vote and I regret that it is not a good deal larger, because it is time that some work was started along this line. May I give you my observations. I am one of the new Canadians. I came here before Tom Reid and Ian Mackenzie, but I am still a new Canadian. When I left my own country to settle elsewhere I read about Canada, about its resources and possibilities, and I read that there was room for everyone who was anxious to work. I came to Canada and was told that Canada was a nation composed of two nationalities that were working together, the French Canadian and the Anglo-Saxon. I came to this country forty-four years ago; I have lived here since that time, and I still find that Canada is trying to build up a united nation, while having, not two nationalities but, so to speak, three; because we have approximately 5,000,000 Anglo-Saxons, approximately 3,000,000 French Canadians, and approximately 2,000,000 so-called foreigners. Consequently, we have to reconcile, both outside this house and inside as well, French Canadians, British Canadians and so-called foreigners.

How are we to make a united nation out of this mixture? It is forty-four years since I came here and I find that we are still struggling to bring about unity. In the country to the south of us do you ever hear of anybody being a Swede or a Frenchman or a Scotsman? No; they are all Americans. When the minister is setting up a committee to study this matter he is doing something which is at least one-third of a century behind the times. If we are to have a united nation in Canada we have to forget the various nationalities I have mentioned.

When I first came here there were many Europeans in the country, most of them good people. They came to Canada hoping to find unity, but what did they do? They went to the United States. Many good native Canadians did the same. Now the United States is filled up and is not asking for more immigrants, whereas we are asking for immigrants, and we need immigrants to develop our resources, which are second to none in the world. As long as we squabble among ourselves, however, French Canadians, British Canadians and foreigners, we shall never get anywhere. If this committee that is set up to study this question can do something we shall be accomplishing a great deal to help unite our country and make a nation out of it. I do not intend to take up any more time, but I give that as my observation in support of this committee and this vote. It is a vote that should have been presented to the house at least one-third of a century ago.

Mr. McIVOR: As I have listened to this debate I have learned much. Of course I have been in this country longer than the hon. member who has just taken his seat. I came to Canada from the land of the green isle. I came here because I felt it was the best place on earth to which to come and I have never changed my mind. I have not very much patience with any man who leaves a country and then talks about the great things there were in the country he left behind. If he is any good he will bring some of those things with him.

As I listened to the debate I thought of the words of Sir Wilfrid Laurier when he was addressing the youth of Canada and giving them some advice. He said:

> You will be face to face with race prejudice, religious prejudice, class prejudice and nationality prejudice. But I would advise you to understand that love is stronger than hate and faith is stronger than doubt.

When I think of the tie that binds us to the old land—and by the old land I mean England, Ireland, Scotland and Wales—I think the tie is the affection of a mother. You cannot break it. What is the tie that connects us with the country to the south of us? It is the tie of another member of the same family. A neighbour is not strong enough, and we have to be careful to treat both as they ought to be treated. When I hear people speak of their nationality I ask myself, What good are they? What can they do for their country? What can they produce for Canada? What are they thinking about and what is their character worth? I remember when a great artist was asked to paint a picture in support of the text where Christ said:

> Suffer the little children to come unto Me.

When the canvas was removed, those children were not all white; they were not all black; they were not all red; they were the children of all nationalities. I remember when I came by the Canadian Pacific railway in 1894. I was expecting great things from my first view of Canada. I was convinced when coming along the Canadian Pacific railway, I looked at the rocks, that this was a rocky country. When I came to Winnipeg and heard the different expressions of speech, heard men saying, "You bet"; "that makes me mad"; "that makes me crazy," I wondered what use Canada was making of the English language. But, of course, you may not agree that I come from that green isle in which is spoken the best English the world over. When I heard

a Scotsman use the Scotch accent I used to sit back and wonder how he was able to do it, but he could with comfort, as shown by the hon. minister for New Westminster.

I agree with the hon. member for New Westminster when he says that when we came to Canada we came not only because she spoke the same language but because there were the same sentiments, the same branches of the Christian church to which we could send our children if we were so blessed. When we think of Canada to-day we should be proud of the fact that she is not all British, not all French, and that she does not belong to any other nationality in the world, but that we are a mixture. Look at our position to-day. Over yonder in the west is Russia; to the east is Great Britain; to the south the United States and Canada in the centre is the heart and soul of the world to-day. There never was a nation that had such opportunities as we have. We have to keep the right things first. I have never considered the right thing to be the dollar yardstick. Leave God out of your nationality. Worship Him as you will but do not leave Him out, and then the peoples who come to this country will get a taste of something which will give them heart to go on.

What about those young Canadians who fall in love with English girls? There have been about three thousand of them. What is to be our reception of them? Are we to tell those little lassies, those young wives and their little ones, when they come, that we love them too; that we are going to see that they get fair play, and that we shall allow them to develop Canada in a way which will beat anything that they have ever seen in the old country? This is a live question and I support this vote wholeheartedly. Let us be men; let us forget narrowness of religious and class bigotry. Let us keep the Almighty first, and then, according to His own statement, all other things shall arrange themselves in rightful order.

Mr. HLYNKA: I just wish to add a few words to what I have said this afternoon. In the first place I believe I should not allow the remarks of the hon. member for North Battleford and the hon. member for Cartier to pass unchallenged. I refer to the remarks which they directed against Professor Kirkconnell. Professor Kirkconnell is not in this committee to defend himself. The very booklet which the hon. member for Cartier and the hon. member for North Battleford quoted contains the following words on its first page:

To my four children for whose sake I covet a democratic and Christian Canada.

[Mr. McIvor.]

In his preface Professor Kirkconnell has this to say. When he undertook to write this booklet and others of similar nature he states that he chose the subject:

For or against Canada?

He then goes on to state:

On that score, the communists were found guilty of treasonous activity against our country at war, their organization was banned, and many of their leaders were interned. After the Soviets had been attacked by Germany in 1941, our communists professed that the war had now become a holy one—

I believe that Professor Kirkconnell can speak for himself, but he has not the opportunity to answer the remarks which have been directed against him to-night. The hon. member for North Battleford said that she hated to call him "professor" because he degraded the very word. I feel that the hon. member of this committee using such extreme and vitriolic language is really casting a reflection upon herself. It is always the best policy to criticize others, if we choose to, but at the same time reserve our tempers to ourselves. So I say the hon. member for North Battleford, who has been in the house as long as I have, could have chosen her words a little more carefully when speaking of a man who is a fourth generation Canadian and who has written in the neighbourhood of thirty books.

This is what appears on the inside of the cover of the little booklet which was quoted:

Watson Kirkconnell, the author of this volume, is a Scotch-Canadian of the fourth generation, born in 1895 in Port Hope, Ontario. He was educated at Queen's university, Kingston, and at Oxford university; and is now Professor of English in McMaster university, Hamilton. He is the author of some thirty published works, more than half of them written in the interests of inter-racial understanding, and was awarded in 1942 the Lorne Pierce Gold Medal of the Royal Society of Canada "for distinguished contributions to Canadian literature."

During eighteen years in western Canada, he acquired by close study a unique familiarity with the languages, the press and the political affiliations of the Canadians of European ancestry.

And this is what is found on the back cover:

Professor Kirkconnell has profound admiration and gratitude for the military prowess of our Soviet allies. He insists, however, that we are being flooded with false propaganda regarding the Soviet Union's economic and political system, and that the exploitation of Russia's war record by our Leftists is part of a revolutionary offensive that has been actually intensified since the dissolution of the Comintern.

That is all I wish to quote from the book.

In addition to that, I should like to quote from a pamphlet written by Professor Kirk-

connell in which he gives us information about a similar branch in the United States. He says:

The most important single body set up was the foreign nationality branch of the office of strategic services. This branch has a paid staff of forty, under a director with long foreign service in east-central Europe. There are also some sixty voluntary consultants in the universities of the armed services.

In Canada, when this pamphlet was written, there were only four on the paid staff.

Professor Kirkconnell sets out four reasons for the organization of this branch. He states that some of the methods used have been as follows:

(1) Discrimination against these groups in Canadian industry has been combatted by the initiation of directives to employers throughout Canada and by constant field work by Doctor Philipps.

(2) A major task was the mobilization of European-Canadian communities behind the war effort. This must not be misunderstood. There was no desire to call new "nationality organizations" into existence. The aim was rather to call for a truce on the old political quarrels and hatreds that so often split up these groups into warring factions, and to associate them rather in a single "holding committee" pledged to the support of Canada at war. All this called for the greatest patience and diplomacy. Sometimes the political fires that were thought to be banked down for the duration showed signs of flaring up. But on the whole, there has been a striking development of conscious "Canadian thinking" in the communities that have been thus coordinated.

(3) There has been continual close cooperation with the armed services on the subject of recruiting. In order to encourage this by a recognition of equal rights, steps were taken to have eminent war services by members of New Canadian groups brought to newspaper notice, to have chaplains of their churches appointed to the forces, and to select promising young soldiers of their groups to training as Canadian officers.

(4) The foreign language press is being supplied with a regular mimeographed service of war news and articles from a Canadian point of view. A typical contribution, with a view to encouraging a Canadian consciousness based on knowledge, has been a series of biographies of prominent Canadians, including Sir Frederick Banting, Vihjalmur Stefansson, Sir John A. Macdonald, Sir Wilfrid Laurier, and J. S. Plaskett. This material is being supplied by the Writers' War Committee of Canada—

Under the chairmanship of Professor Kirkconnell.

One last word. I am not sure whether Professor Kirkconnell gets any remuneration for what he is doing in connection with this committee; but I am sure that it takes hours of his time daily, and I know he is best qualified for the job. He is the only man in Canada who commands over forty languages. He has an opportunity to read newspapers and appear at different functions organized by various groups. Undoubtedly he is in a position to know whether he should or should not make certain recommendations to this branch. He acts in an advisory capacity. I may say, too, that no one man could swing the entire branch his way, if there were not enough grounds for his views.

I wish to reiterate what I said previously, that Professor Kirkconnell in these trying years, when it is pretty difficult for some Canadians to know and understand the mental attitude of each and every group within our boundaries, has given much valuable service to Canada. What has been said has shown that sometimes, instead of receiving credit for public service rendered to the people, one receives blame. Evil is thought of him because he does not happen to suit the wishes of one or another group. Instead of that, I should like to see manifested in Canada a spirit whereby we would be ready to give credit to anyone who has done his best in these times to help Canada. I do not think Professor Kirkconnell deserves the remarks which have been levelled against him to-night.

Mr. WOOD: Mr. Chairman, it has been refreshing to me to hear the hon. member for Vegreville come to the defence of Professor Kirkconnell, who is a personal acquaintance of mine. The hon. member has done credit to himself by the gracious attitude he has taken toward this distinguished gentleman. At a time like this when we should be attempting to develop national unity it is unfortunate that the hon. member for North Battleford and the hon. member for Cartier should see fit to refer to this distinguished gentleman in the way they did simply because he happened to write something which did not agree with their own political philosophy. We must adopt a different attitude if we are to have national unity in a country like this where there are so many nationalities.

I am one generation removed from the old country. My grandfather brought my father over to this country from Scotland. My people had the blessing of poverty. I am told that my grandfather's income was $25 a year; yet he raised a family of eight children, educated some of them, and landed in Canada in 1852 with approximately $800. I cannot boast of having been born outside Canada, but I am proud of the type of people my ancestors were and that they had courage enough to come to this land in order to create greater opportunities for me.

We cannot expect to hold this great expanse of country on the northern part of this continent with but 12,000,000 people. I agree with the hon. member for New Westminster, who

said that when we bring people into this country it is not only to our own interests but to theirs as well that there should be a reasonable amount of selection. We should try to be sure that they will assimilate Canadian ideals.

I regret that anti-Canadian feelings should be expressed within the walls of this building. I believe that if in the past our immigration authorities had showed more care in selecting those who were permitted to come to Canada it would have been better for all of us. If these people have not been able to accept Canadian ideals, they must be very unhappy. They are not contributing anything to Canadian citizenship by advocating their particular philosophy of life. While I have always believed in a selective system of immigration, I have also believed that we should try to maintain a certain standard of Canadian citizenship. People who desire to come to this country should be subject to the scrutiny of our immigration officers. An attempt should be made to see that they are ready to accept the blessings of this country, accept our ideals. If they are not ready to do that, they should get out of the country.

I rose for the purpose of defending Professor Kirkconnell because of the vilification he had been subjected to to-night. I was proud to follow the hon. member for Vegreville. As he has said, he is one of our new Canadians, a Ukrainian, and he has exhibited a high degree of Canadian idealism even though we may not all agree with his particular political philosophy. He has shown the spirit of toleration which is the only thing that will make Canada a great country.

Mr. MAYBANK: I should like to take part in this debate for a few minutes. Along with other hon. members, I am glad to see this vote in the estimates and I think it would be better if it were a larger vote than it is. I am in agreement with several hon. members who have spoken, because I believe the work of a committee such as this can create tolerance in this country. Tolerance is necessary in Canada and also it is badly needed. Tolerance leads to harmony and there can be no progress in a country without harmony or a reasonable approach to it.

Two hon. members who represent a small minority in this country have spoken to-night, the hon. member for North Battleford and the hon. member for Cartier. In words they advocate tolerance; yet they have given a very poor exhibition of that quality. The hon. member for Vegreville referred correctly to the addresses as being vitriolic. For my part I could not help thinking that the spirit of tolerance shown by these two members was like the quality exhibited by a certain Irishman. A shoemaker who wanted to set up a business was on the road on the way to Antrim, when he met an Irishman. He inquired about the characteristics of the people in that city, the division as between Protestants and Catholics and so on. The man replied that he would find them pretty well divided, and he added that he got along pretty well with both sections. The shoemaker asked him how he did it and he said it was because of his tolerance. But when he described his tolerance it was somewhat of the quality exhibited to-night by these two members. He said, "On the 17th of March I wear an orange ribbon and on the 12th of July I wear a green shamrock, and if anyone asks me where I hang my hat of a Sunday, I tell him to go to hell and punch him on the jaw."

As I listened to the attack by these two hon. members upon an outstanding Canadian citizen I could not help thinking they have no understanding whatever of the quality which they would like to see current in this country. I do not think there should be any multiplication of words on my part in supporting what has been said by the hon. member for Vegreville and the hon. member for Brant. Professor Kirkconnell was for a long time a citizen of my city and one of our most honoured citizens. The people of my city are a discriminating people, and the fact that Professor Kirkconnell was a particularly honoured citizen of Winnipeg is itself a passport that will carry him anywhere in this country or in any other country.

I had the honour of knowing him slightly, not nearly as well as I should have desired. From all that I have known about him I regret that I was not personally better acquainted with him. My chief reason for rising is that I did have some slight acquaintance with him and I have been able to watch his work over a number of years. He came from my city, and for me to have sat silent when there were ill-tempered outbursts against him would, in my opinion, have been to condone a wrong. I shall say no more than that in characterizing these attacks.

I only hope that the minister will never see fit to deprive himself of the benefit of the advice of that kind of man. If we had many more men like Professor Kirkconnell in this country Canada would be a great deal the richer for it, and I am sure that the few members who have attacked him, when they stop seriously to think this over, will be found to agree with me. The man is doing a great service and has been doing a

great service for many years, and it is very cheap stuff to come into this house where he cannot reply and from this safe place be a detractor.

Mr. NICHOLSON: Mr. Chairman, I should like to support this vote. In view of the fact that the amount asked for by the minister is only twelve and a half dollars for every million dollars we are voting, the hon. member for Broadview is not on very sound ground when he complains of extravagance.

I wish to present a point of view which has so far not been advanced in the debate and suggest that the department should pay some attention to the older Canadians. We have heard a good deal to-night about the new Canadians. Nothing has been said about the responsibility of the department for the old Canadians.

For some fifteen years I have lived in a community in northern Saskatchewan where I have belonged to a minority group. Like the hon. member for Brant, I happen to be of Scottish racial origin and people of Scottish racial origin are in the minority in that community. The 1941 census shows how very cosmopolitan a community Mackenzie is. The largest racial group there is the group to which the hon. member for Vegreville belongs, the Ukrainians. I should like to say, in passing, that I envy the hon. member for Vegreville his ability to speak so fluently in the English language. If the old Canadians would make some effort to become familiar with the language of other peoples—I refer especially to the English-speaking in this country who refuse to become familiar with the French language, and as we know a great many of our old Canadians refuse to make any effort to become familiar with any of the languages spoken by the peoples who come to this country—it would be very much better for us all. The hon. member for Vegreville puts us to shame when he speaks the English language as very few of us are able to speak it.

I was saying that the largest racial group in Mackenzie is Ukrainian, numbering 18,334. The next largest is the Scandinavian group, numbering 8,424; then English, 6,979; Polish, 5,097; Russian, 4,664; Scottish, 4,025; Irish, 3,955. As a member of one of the minority racial groups in that community I wish to say that it has been a great privilege to live with peoples of so many different nationalities who have made a contribution to this country which has been very valuable indeed. So that I hope that the department will not pay too much attention to the suggestions coming from the hon. member for Brant and the hon. member for New Westminster, that at this stage time should be lost in worrying about whether these people conform to the standards that prevailed in Scotland fifty or sixty or a hundred years ago or conform to the standards which prevail in New Westminster.

I should like to make reference to the valuable contribution which the largest racial group in my community, the Ukrainian group, has made to Canada. They have settled in the northern part of the province where years and years of hard work were required. Many of them went a long distance back from the railway and worked from early morning till late at night, making a great contribution in building up this country. In this time of war, as the Minister of Mines and Resources has said, they have responded in a remarkable way. The man who brings the milk to our home every night is a Ukrainian who has earned his living in a hard way. He has two sons in Italy with the Canadian Army, one being a major and the other a lieutenant. The father and mother, so-called new Canadians, have made a valuable contribution to Canadian life.

In some parts of the country criticism is made of our Jewish Canadians. I have a very small number of Jewish citizens in my riding, some 178 persons, but they responded at the earliest moment in the war and have performed distinguished service. Just the other day I received from the headquarters of the Department of National Defence for Air a photograph of Flying Officer Gelmon, from Preeceville, Saskatchewan, who is in service at Ceylon. This young man who is in charge of flying a Catalina observed a ship that had been torpedoed by a Japanese submarine. He landed his flying boat on the water and rescued all the members of that disabled ship's crew. His record was mentioned over the BBC some time ago, and it was not until his parents drew attention to the fact that he suggested it was all part of the day's work. So that I urge that the minister consider increasing this vote and have some regard for the old Canadians and their responsibility, as citizens in a democracy, to their fellow Canadians who do not speak their language.

Just one final word regarding our responsibility to our Chinese Canadians. It is almost a year now since members of this house heard one outstanding woman of the Chinese race, Madame Chiang Kai-shek, address this House of Commons. We were all deeply moved by the message she brought on that occasion and by the leadership she and her distinguished husband have given. We have all been inspired by the contribution which the Chinese people have made in saving democracy for the

world. Yet in Canada we refuse to consider the Chinese born in Canada as fellow Canadians should be recognized when we have the four freedoms at stake. Just this week I had occasion to take up with three departments of government the case of a young Chinese Canadian in British Columbia who has been given the run-around in connection with his offer to do his bit in an important public service. We make it very difficult for those who do not fit into the conventional pattern to make their greatest contribution both in war time and peace time. Therefore, I hope the minister will not be unduly influenced by those who have suggested that this vote should be reduced to $1, or who complain about any expenditure of this kind.

In conclusion, I wish to congratulate the minister upon having secured the services of Robert England who, as the minister pointed out, has a distinguished record in the last war and in this war and who during the years has demonstrated that his viewpoint will inspire confidence and good will among the peoples who have come to Canada to make their homes.

Mr. ROEBUCK: I could not permit this debate to conclude without expressing just a word of approval to the minister for having placed this item before us. It seems to me that if there is any criticism of the amount it is that it is too small, not that it is too large. Earlier in this debate various hon. members have been able to speak as newcomers to this country and to tell of their experiences in coming to Canada from some other land, either a part of the empire or a part of Europe. I am not able to express myself along that line, because I am the fourth generation on both sides of my house to call Canada home. I think I am thoroughly acclimatized as a Canadian, and if anyone, other than my French Canadian friends, some of whom have been here for three or four hundred years, has a right to call himself a Canadian, I think I have that right.

With some deference and some humility, I say that it takes time in order to understand Canada and the spirit of Canada. That understanding is not readily acquired. Canada is different from many other countries of the world, because here there is no dominant religion, no dominant race, no dominant nationality other than Canadian. We have been very fortunate in this country in the development of a broad and sympathetic attitude toward others. Tolerance consists for the most part of good manners. Intolerance always expresses itself in unkindness and bad manners. In our early days we were forced to get along one with the other. I think the French Canadians frequently fail to realize how much in their culture, their diversity of life, their general happiness and well-being they owe to the English-speaking portion of our population. And I can say definitely that we of the English-speaking portion of the Canadian population seldom realize how much we owe to the French. Each owes to the other a great debt of gratitude, if only for the one thing, that we have been forced to live together and to get along with our neighbours. So that we have developed in this country a constitution and society broad enough to tolerate somebody other than ourselves.

Then, following that experience as between the English and the French, we have had the inestimable value of the introduction into our society of people from other lands, chiefly central Europe. I cannot speak too highly of those people whom we somewhat wrongly call new Canadians. They are not much newer than many of the rest of us, but the term designates them and it will do. I come from a riding which is probably as cosmopolitan as any in Canada, and I have always been proud to claim to be a representative of these various groups. For instance, I have a very large Polish vote, and I am pleased to say that it supported me very generously. My heart bled for these people in 1939 when the German mechanized machine overran their country. We of the English race frequently refer to Great Britain as the motherland, but we fail to realize that Canadians have many motherlands. To a great many Canadians Poland is the mother country, and the Polish people in Canada were sorely hurt when Poland was conquered by Germany. I look forward to the time when I can rejoice with my Polish friends, when once more Poland will be free. On many occasions I have joined in the pledge given to the Polish people by the Prime Minister of Great Britain, the President of the United States and the Prime Minister of this country, that we of the united nations will never sheathe the sword until Poland shall be free. Poland has contributed something to Canada by supplying us with a portion of our population from that bold, fighting race which has struggled for freedom as heroically and as long as any other nation on earth.

I have always been happy to think of myself as a representative of the Ukrainian people of my riding, and I wish to join in the compliments that have been expressed to the hon. member for Vegreville. I was sorry, however,

that in his recent speech he discussed personalities. I am not much interested in persons, either in attacking or in defending them, for usually they can look after themselves, and that is particularly so in this instance. It is unfortunate that personalities should have been brought into a debate so lovely as this. We are struggling for unity among these races, and you cannot get unity by bringing up here the divisions that you may find in the old land. That is an unfortunate thing that is happening in Canada. These various groups of our population should divide now upon Canadian questions, not upon European matters. So often I find that various portions of the same racial group hate each other because of imported divisions, not because of Canadian divisions. I have been proud to represent the Ukrainian people, whom I have found to be of sterling good character, industrious, strong, healthy, vigorous both in mind and body; a kindly people, very much like ourselves. I have been proud to represent the Italian people of this country, of whom I have a considerable number in my riding. My heart bled for them when we declared war upon Mussolini and left them in a most unenviable position. They are a kindly people thoroughly Canadian, as has been proved by their actions during this war.

Fortunately I come from a riding in which there is not one dominant religion but which is fairly equally divided as between the Catholic, Protestant and Jewish faiths. I feel sure that if more people enjoyed the advantages I have had they would recognize the virtues of these different groups, and there would be less anti-Semitism and fewer antagonisms over opinions on religion.

I welcome this vote. I know it is not necessary to defend it, but I do want to express my approval of it and I hope that every dollar will be spent wisely, as I am sure it will, in developing the idea of a Canada different from most countries, as I have said, not of one race, not of one nationality, not of one religion, but rather a collection of groups each with a respect for the rights of the others and each with sufficient good manners to get along with the rest. Let us have in Canada a nationality broad enough to include within the folds of our common flag men of all races, of all religions, of all nationalities, yes, and of all political opinions.

It is not necessary that men who come from other countries should forget the country of their origin. I have always thought and have preached to those various groups that they are doing a favour to Canada when they maintain their ancient traditions and teach their children the language of their own country. True, it is necessary that they should learn English because that is the language of the dominant language group. It is the dominant language. They will be handicapped if they do not know English. At the same time, they will lose the culture of their own country unless they teach their children the language of their birth.

It is wise that the Polish Canadian should remember the Polish language, its customs and its glorious history. It is wise that Ukrainian Canadians should remember the history of the Ukraine and rejoice that the foreign invader is being chased out of the Ukraine. It is wise that the sons of the Italian Canadian should know the music, history and literature of Italy, and that his children should carry on that glorious inheritance. Canada has been the gainer by the culture, the language, the knowledge and the diversity that these people have brought to our shores. Canada will be a great nation when finally we unite all of these nationalities and groups into one great united and homogenous people.

Mr. KNOWLES: There is one note of warning in connection with this vote which I should like to sound, but before I do so I wish to say that I agree with those who feel that the amount is far too small for the purpose to which it is to be devoted. I am sure it is significant that there has been a debate of this length on an item relatively so small. It indicates that the members of this house feel the importance that attaches to any effort to develop the consciousness of Canadian citizenship among all our people and the sense of unity throughout our country. I feel, too, that I should add to what some other hon. members have said by way of commendation in connection with the securing of Robert England to head this work. I was disappointed and a little disturbed some months ago when Mr. England's resignation was announced from a post in another department of the government, and therefore I was pleased to learn that he had been secured for this very important work.

The minister, speaking earlier this evening about Mr. England's qualifications, mentioned a number of points. I am not sure whether he referred to the fact that his interest in this kind of thing is by no means new. I happen to know Mr. England personally and I know that his interest in the matter we are discussing extends over a number of years. In fact, several years ago he produced a very worth-while book on the subject of central

European immigrants in Canada, and I am sure he brings to this task not only the kind of interest that one needs to further this sort of work but the knowledge, ability and experience that are also very necessary. I hope, therefore, that the government will be able to secure, in addition to Mr. England, others who will likewise add to the calibre and quality of the work of this branch, and I hope it will be recognized by the government not just as a branch for which money should be voted in a time of war but rather as a phase of work that should be established on a permanent basis.

I said when I rose to my feet that there was one note of warning I should like to sound. I understand that part of the work of this committee is to feed to our foreign language newspapers material which will enable readers of those papers to get the best ideas about the country in which they are now living, and I may say to the minister that certain complaints have come to me from time to time. I am not sure whether the material that is complained about results from the work of this committee, but it sounds as though it does, from what the minister said earlier to-day. The complaints have been that the material, while it seemed to be boosting Canada and our institutions and form of government, did seem to flavour of propaganda for the government of the day. I sound that note of warning not out of any sense of jealousy. My point is that if anything of that kind does creep in it will defeat the very purpose of a vote of this kind, and I hope the minister will see to it that in so far as it is the job of this committee to feed to the foreign language press of the country articles that boost Canada, to sell to our people the glory of Canadian citizenship and of our institutions, he will see to it that this work is kept free from anything that could be labeled as partisan propaganda.

With that note of warning I wish to repeat what I have already said, that I not only support this vote, but commend the minister for having secured the services of Mr. England to head this work, and I hope that the government will see to it that it is established on a permanent basis.

Mrs. NIELSEN: Some remarks have been passed this evening regarding what I said on the matter of Mr. Kirkconnell. I think the hon. member for Winnipeg South Centre stated that I was a little intolerant and a little vicious in my remarks, and so on. I am intolerant, toward one thing, fascism, as I would be intolerant toward any foul and evil thing. I am intolerant, too, of those who by their activities over a period of years have striven to misrepresent to the people of this country fascism and the forces which have fought against it. Although some hon. members of this committee may have personal relationships with Mr. Kirkconnell, that is not the question. It is his work over a period of years, which can be traced very distinctly from his writing, that I am concerned with. The hon. member for Vegreville states that he speaks forty languages. He read out some of the publisher's remarks. That does not say anything to the man's credit at all. Because he speaks forty languages it does not mean to say that he promotes unity. It is a very nice thing for the hon. member for Vegreville to speak about unity and tolerance. You see, the spectacle of the hon. member for Vegreville supporting Mr. Kirkconnell is quite simple to understand. I understand it perfectly. They have had a relationship over a period of years, and it is a case of the two of them being very like-minded. Naturally the hon. member for Vegreville thinks Mr. Kirkconnell is all right. I have in my hand a series of small magazines. They are printed in Ukrainian. The name is "The Call". A series of them have been translated for me. I find in them some of the most vicious and intolerant statements that I have ever found anywhere. Here you will see a gruesome picture and underneath a series of statements, vicious anti-Semitism. The editor is the hon. member for Vegreville. It is very nice for certain people these days to turn around and speak about tolerance. I have no tolerance for fascists and for those who have promoted disunity in the past in this country. I want unity against fascism, and whoever likes to disagree with me let them take their stand. I am against fascism. That is all I wish to say.

Mr. LaFLECHE: I wish to say a few words before the vote carries. As we all know, there are groups of people whom we term new Canadians. They are found nearly everywhere in Canada. I take it from the excellent speeches made this evening that this committee is definitely of the opinion that these new Canadians shall not remain strangers within our gates; that there is a widespread desire, as represented by what has been said in this committee, to do our share to help these men, women and their children to love Canada more because they will know Canada better.

I must say that I am tolerant, although in some respects I find it extremely difficult to be kind even in thought to certain kinds of people. But those who live in Canada, those who during this war have done good work, have my appreciation. I certainly am tolerant

toward them, and in saying that I have in mind the gentlemen who have been taken to task this evening altogether too harshly. In my opinion that is the case. I do not know Professor Kirkconnell very well, but from my point of view and my knowledge of the work he does for my department I have every reason to believe he is an excellent gentleman. What other people may think of him I do not know, because I do not know their relationship with him.

At any rate, Mr. Chairman, this has been a very encouraging day to me. Whilst our boys are fighting for our safety we at home should work at national unity. I think this has been a good day in that regard.

Mr. CHURCH: I wish to say that in so far as Professor Kirkconnell is concerned I reaffirm what I said this afternoon. He was engaged by this government to write a book to which I objected in this house in 1940 and 1941. The book dealt with the British born and the foreign born. It was the glorification of the foreign born as against the other. From the information contained in the immigration figures at the time I say the information contained in his book was wrong. In this book he said that the British born had more cases in the law courts than the Japanese. I opposed it at the time and called the attention of the committee to the booklet. It was circulated in England and did a lot of harm to immigration. He made a speech at the university of Toronto in January, 1942, in which he said there was no more room in this country for the British born. He said there was no land available. That was after the battle of London. I looked into the book. It was a glorification of one section of the country against the other. He has changed it all now. He seems to be writing books the other way at the present time. He seems to be writing books on communism now. I have expressed no opinion about what he said, but I have been an opponent of that particular system for many years. My views are well known to this committee. I reaffirm and reassert what I said this afternoon. I believe there should be equality of treatment for all classes. I believe there should not be race or religious jealousy in this country. I have never had any and I have not had any at any time in this committee. That is all I wish to say regarding that professor. He goes on to refer to other component races who have been here for generations. I obtained the booklet at the time it was printed. Large numbers of copies were distributed in England at a grave time of the war in 1941 and did great damage to immigration from the British isles and from other places.

Mr. HLYNKA: I wish to take a minute or two to correct the impression which perhaps may have been left by the remarks of the hon. member for North Battleford. It seems that the hon. member is making a habit of attacking certain individuals. She made a statement to the effect that some of my writings which appeared in the publication which I published in 1935 contained writings which were anti-Semitic. I wish to state, here and now, that at no time in my life have I ever written anything or said anything which was anti-Semitic. I wish to add also that just because I was the publisher of the magazine it does not necessarily mean that I wrote every word that appeared on the pages thereof. Certain individuals contributed to my publication and I published the things which I felt would be of interest to my people. One of the writers who came from Europe and who was a witness of conditions there, and who knew the history, wrote an article which condemned certain leading men of Jewish nationality in the Soviet Union. That was all. Therefore the article was not mine at all. There were two articles altogether on this subject. The other article which appeared was a translation by another man also. He asked me to publish it and I did. I published not only articles that were anti-this or anti-that, but articles that were of various natures, articles which gave information on various topics

Therefore, Mr. Chairman, I wish to correct this propaganda which has been circulated and levelled at me personally for many years of being anti-Semitic. I never have been and I never intend to be, because I have not the reason for it, and it is not in my make-up. So I just wish to correct the remarks which the hon. member made to-night.

Item agreed to.

Progress reported.

BUSINESS OF THE HOUSE

Mr. RALSTON moved the adjournment of the house.

Mr. GRAYDON: What is the business for to-morrow?

Mr. RALSTON: As business for to-morrow we propose to continue with the war appropriation resolution, but it is proposed to suspend consideration of the item under the Department of National War Services and take up the items under the Department of Labour.

If that should by any chance be finished, we shall resume with the Department of National War Services.

Mr. GRAYDON: I wish to lodge a protest to the acting leader of the government with respect to this change in the order of business in connection with the war appropriation resolutions. There was a definite arrangement made both last session and this session that these departments would be taken up, one department after another, and when one department was finished another would be commenced. This is the first time in two sessions that the government has asked for a change in that arrangement, which was entered into at the time at the instance of the government, if I may say so. I wish to protest. I do not know how far my protest will go, because I recognize the government has some powers in these matters. However, we are not in favour of it.

Unless there is some extraordinary circumstance of an emergent nature we do not wish to have the order changed, because this procedure establishes a change not only now, but also establishes a precedent which perhaps might be carried into another session as well. I think our rights must be protected, and for that reason I rise to protest, and ask the government not to make the change which is suggested.

Mr. RALSTON: I say to my hon. friend that I would be the last to attempt to break any arrangement which has been made. I am not conscious of any arrangement such as my hon. friend suggests. We do this in connection with other items; that is to say, on the estimates. We take up one department and do not finish it, and another department may come in next. My hon. friend is quite right when he says it has been the custom to continue with one department and go through with it before another is reached, under the war appropriation measure.

However, in this instance, the circumstances happen to be special, and I would hope that my hon. friend would so consider them. They happen to be of a special nature. My colleague the Minister of Labour will have to leave to go back to the conference at Philadelphia very shortly and he is anxious, and I believe the house and country will be as anxious as he is, that the items under his name might be taken up—and I hope finished—before he goes.

In connection with the length of time which has been taken in the discussion by the estimates of the Department of National War Services, I may say, without any criticism whatsoever, that they have been considerably longer than was anticipated. It is necessary that the committee should at least begin the discussion of the items under the department of the Minister of Labour, because there are one or two other matters of very important business which necessarily will have to be brought in next week. And it may be that if this procedure is not followed the items under his department may not be finished before he goes. That is the special circumstance under which this is being done.

I join with my hon. friend most heartily in the desire to finish one department before another is brought on, because I think that is the easiest way to do business—certainly it is the easiest for the government. Then, members of the cabinet are not kept waiting for their estimates, and they are not so uncertain as to when they may come up. But this is a special case, and I trust hon. members, including my hon. friend, will so regard it, having regard to all the circumstances.

Mr. POULIOT: How long is the Philadelphia conference supposed to last?

Mr. RALSTON: I cannot tell my hon. friend that.

Mr. GRAYDON: May I say to the leader of the government that there is no guarantee, as I see it, that the Minister of Labour will be allowed to proceed during the next week to a point where he would finish his war appropriation estimates. That puts it in a very awkward position, so far as we are concerned. I believe we are perhaps going to find ourselves with the estimates of the Department of National War Services unfinished, with those of the Department of Labour unfinished, and with certain new legislation which it is expected will be taken Monday in an unfinished state. That is the position.

For these reasons we protest against the change. As I say, perhaps the government has the right to set the programme, and to make a change in a succeeding session; but I must confess that I am very much disappointed that the government has taken this position. It has upset, and will upset the arrangements which were arrived at and which, I repeat, were not arrangements entered into lightly. They were arrangements which definitely formed part and parcel of the whole war appropriations resolutions debate structure.

Mr. RALSTON: I am sorry my hon. friend has repeated what he said, because I think he will find there was no arrangement that each department would be taken through to the last item. In the second place I sub-

mit to the house that the circumstances which I have mentioned are extraordinary and should be taken into consideration. I hope the house will do that.

Third, may I say I do not quite share some of the apprehensions entertained by my hon. friend with respect to the fact that there is more than one item of unfinished business before the house. With all due respect, in my fourteen years in the house I have not seen much evidence of the house going right through with any important item before taking up anything else. The house has been anxious to put its business forward one or two stages at least, and then proceed to the discussion of some other item.

That is what is being done here, and I do not think there is anything very shocking about it. I do trust that the result will show that nothing has been done to interfere with the rights of hon. members, and I hope it will be found that this procedure will expedite public business.

And last, but in my mind not the least, the items standing in the name of the Minister of Labour are extremely important. I have been anxious particularly to see to it that the service departments, and the departments more vitally connected with the war, should be before the house as soon as possible. I hope the house will enter upon the business to-morrow as I have outlined it.

Mr. POULIOT: Would the Minister of Labour be kind enough to say how long that conference is intended to last?

Mr. MITCHELL: I do not know.

Motion agreed to, and the house adjourned at 11.10 p.m.

Friday, April 28, 1944

The house met at three o'clock.

DOMINION ELECTIONS ACT

THIRD AND FINAL REPORT OF SPECIAL COMMITTEE

Mr. SAMUEL FACTOR (Spadina): I wish to present the third and final report of the special committee appointed to consider the Dominion Elections Act, 1938, in relation to the taking of the vote of the armed services. May I suggest that the reading of this report be dispensed with, as both the report and the schedule will appear in *Votes and Proceedings*. The report itself is short, but the schedule is quite a lengthy document.

Mr. GRAYDON: I think we can come to an agreement with respect to that, provided that no concurrence is moved to-day and hon. members in the meantime will have an opportunity of reading the documents.

Mr. FACTOR: There will be no concurrence asked for to-day.

Mr. SPEAKER: It will appear in *Votes and Proceedings*.

PRIVATE BILL

FIRST READING—SENATE BILL

Bill No. 88, respecting the Kettle Valley Railway Company.—Mr. Stirling.

HOUSING

DEPENDENTS OF MEMBERS OF ARMED FORCES

Hon. J. L. RALSTON (Acting Prime Minister): I should like to make a brief statement with regard to the matter of housing which is forecast in the speech from the throne. An announcement will be made in due course regarding the scope and the purpose of the programme, but I want to say now that it is proposed that the measure will be wide enough to include special provision for houses which may be required to accommodate dependents of members of the forces for whom housing accommodation is not otherwise available. It is expected that this particular class of house will be dealt with along the lines of the procedure adopted concerning houses built under the Wartime Housing Act, certain of which were, in special instances, allotted to city and municipal authorities to be administered by them for the relief of dependents of members of the forces urgently in need of housing accommodation.

SITUATION IN TORONTO AND ELSEWHERE—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 31

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I ask leave to move the adjournment of the house. It is the same motion as the one I asked leave to move yesterday.

Mr. SPEAKER: The hon. member yesterday sent me a notice of his motion, which reads as follows:

Mr. Church asks leave to move, seconded by Mr. MacNicol, the adjournment of the house for the purpose of discussing a definite matter of urgent public importance, namely, the urgent need of houses in the city of Toronto and other places in Canada and for the purpose of calling the attention of the government to the urgent need of immediate emergency measures relating thereto.

Naturally, when a motion such as this is before the house, moved by an old parlia-

mentarian, and, if I may say so, one of the most highly respected members of the house, I have considered it with care, and with more particular care because of the fact that before such a motion can be put to the house there must be a degree of urgency to justify me in doing so. In the motion before me I cannot find that degree of urgency.

There is a motion on the order paper standing in the name of the hon. member for Broadview which deals with the question of housing, which in the ordinary case, if these notices of motion had been dealt with as they have been in previous sessions of this parliament, might not have been reached. But when the hon. member introduced his motion I recalled that some statement of policy had been made by the Prime Minister (Mr. Mackenzie King) with regard to the legislation which was to come before the house. On the 24th of April last the Prime Minister, at page 2282 of *Hansard,* indicated the legislation which would come before the house, among which he mentioned national housing legislation; and to-day I heard for the first time, as the hon. member has heard, the statement of the acting leader of the government (Mr. Ralston) that legislation with regard to housing will be brought into the house, and it will then be discussed.

I must therefore rule that there is not that degree of urgency in the motion to justify my putting it to the house, because the hon. member will have the opportunity of discussing housing when the bill is before the house.

Again, there is this feature, that the hon. gentleman may bring up the subject of housing on the motion that the house go into committee of supply. I must therefore rule that there is not the degree of urgency in the motion of the hon. gentleman to justify my putting it to the house.

Mr. CHURCH: May I point for the consideration of Your Honour that the rule of anticipation is not relevant here. The rule about asking leave to move the adjournment of the house provides that the subject must not have been discussed in the house before during that session, meaning a substantive motion. There has been no substantive motion on housing. True, questions on housing have been asked, and there was some comment on housing in the debate on the address. The matter I wish to bring before the house is one of very great urgency, and I would point out to Your Honour that I have had no opportunity of bringing it before the house as an amendment to the motion for supply because we have not had a motion for supply in the last few weeks. Surely this is an emergency question, and might I not have the leave of the house to speak on it for only a few minutes? I suggest that I be given five minutes to point out the urgency of the situation in Toronto. There are only forty-eight hours left in which to take action. That is the reason for the urgency.

Mr. SPEAKER: Personally I have no objection to listening to the hon. member, but if I gave him the opportunity to discuss the matter I could not withhold the same privilege from other hon. members. I have carefully considered the motion of the hon. gentleman and I have come to the conclusion that there is not that urgency in the motion which would justify me in giving leave to discuss it.

Mr. CHURCH: May I point out, Mr. Speaker, that you have related this motion of mine to other resolutions. In view of that, I appeal from your ruling.

Mr. SPEAKER: There is no appeal. Under standing order 31 I have already decided in this session, as well as in previous sessions, and my decision is confirmed by most of the Speakers who have had the question before them, that this is not a point of order which the Speaker has to decide. It is a matter for the judgment of the Speaker as to whether there is that degree of urgency which would justify him in putting the motion. I have already dealt with that. As a matter of fact, in order that this point may be made absolutely clear, although I think it has been made clear by the decisions which have been given by Speakers in former parliaments and by myself in this parliament, to remove all doubt the special committee on the revision of the rules has brought in a recommendation dealing with that very point. In the meantime there can be no appeal. It is not a point of order, but a question which lies absolutely within the discretion of the Speaker to decide.

Mr. GORDON GRAYDON (Leader of the Opposition): Mr. Speaker, may I be permitted a word on this?

Some hon. MEMBERS: Order.

Mr. GRAYDON: I rise to a question of privilege.

Some hon. MEMBERS: The hon. member for Trinity (Mr. Roebuck) has the floor.

Mr. GRAYDON: I have no objection to the hon. member preceding me.

Mr. A. W. ROEBUCK (Trinity): I do not give precedence to anybody in the house in

my right to speak. Your Honour, I appreciate that your decision is based on the question as to whether there is urgency—

Some hon. MEMBERS: Order.

Mr. SPEAKER: The hon. gentleman must take his seat. I have given my ruling, and I cannot and do not intend to recede from it. I cannot allow any discussion on my ruling.

Mr. ROEBUCK: There has been discussion.

Mr. GRAYDON: I thought that the hon. member for Trinity was rising to a question of privilege and I did not want to precede him. My question of privilege is this. Your Honour mentioned that the committee on the rules has brought in a recommendation on this point of procedure, which indicates that there is at present a doubt about it. I think therefore under the circumstances allowance should be made for an appeal from your ruling. My second point is that I was surprised that the acting leader of the government made the announcement he did at this time with respect to housing and that it should then have been referred to by Your Honour.

Hon. J. L. RALSTON (Acting Prime Minister): Mr. Speaker, I do not want to follow a bad example. My hon. friend the leader of the opposition, may I suggest, is taking perhaps more than full advantage of a courtesy which has been extended to him from time to time as leader of the opposition to rise and make protests after rulings have been given by the Speaker. That is a courtesy; it is not a right. The remarks my hon. friend has just made, as he knows, are entirely out of order. I rose to make a statement with regard to housing because of the fact that there is in the country and has been for some time past some concern with regard to housing and I thought it might relieve the situation if I indicated one of the subjects which would be dealt with this session in the housing programme of the government. I am open to no censure for having done so. I thought my hon. friend would have appreciated the fact that I had mentioned that housing would be dealt with this session so that he and the house and the country might know that the government had in mind this very important subject.

Mr. SPEAKER: I have always given the leader of the opposition a certain latitude, more than any other member, because of the very fact of his position. But when he says that there is a doubt as to what the rule is, may I say that, if doubt may be in the minds of some, it is not in my mind. I am perfectly clear that the action I have taken is in accord with the decisions of previous Speakers of the house, as it is in accord with my own judgment But in order that there may be no possible error, that all who read may know, the question has been dealt with by the special committee on the rules of the house.

I may say also that I knew nothing of the statement that was made by the acting leader of the government. Apart altogether from statements which may have been made by him to-day, I had come to the conclusion yesterday to rule the motion out of order, on the ground I have already stated. Therefore there can be no further discussion.

[*Later*:]

INQUIRY AS TO LEGISLATION

On the orders of the day:

Mr. T. L. CHURCH (Broadview): I wish to know from the acting Prime Minister whether supply will be called shortly, so that the matter of housing may be raised by the opposition.

Hon. J. L. RALSTON (Acting Prime Minister): I cannot give my hon. friend an answer at the present time.

Mr. LOCKHART: Arising out of the statement which the minister made with respect to housing, did I understand him to say that legislation will be enacted shortly? There was a disturbance in the chamber and I could not catch his words.

Mr. RALSTON: What I said was that an announcement of the general programme would be made in due course. I rather anticipate that an announcement with regard to the particular subject I dealt with here may not await an announcement of the full programme, but I would not go further than that. I rose to indicate that this particular subject will be specifically dealt with.

Mr. LOCKHART: I want to urge upon the minister that he try to deal with this subject independently of other matters.

Mr. CHURCH: People are being thrown out on the street. Surely that is evidence of urgency.

QUESTION OF EXTENSION TO WINNIPEG OF HOUSE CONVERSION PLAN

Mr. S. H. KNOWLES (Winnipeg North Centre): I have a question to direct to the Minister of Finance, notice of which I sent to his office earlier to-day. In view of the telegram he received from the Winnipeg city council on Tuesday, and in view of his statement a week ago that the matter was being considered, will the minister say whether a

decision has been reached in the matter of extending to Winnipeg the benefits of the house conversion plan?

Hon. J. L. ILSLEY (Minister of Finance): Mr. Speaker, when I answered the hon. member before I was not aware that this matter had been referred to the housing coordination committee and that the application had been refused. I asked that it be considered again, along with some other applications, and I do not think that that consideration has been given.

Mr. KNOWLES: The minister did receive from the Winnipeg city council the telegram to which I referred?

Mr. ILSLEY: I do not think so. I do not recollect that I did.

Mr. KNOWLES: It was a rather strong telegram from the Winnipeg city council which was sent to the minister on Tuesday. I received a copy, and I referred to it in a letter which I sent to the minister on Wednesday.

Mr. ILSLEY: At any rate, I took steps to get it before the housing coordination committee after my hon. friend asked the question, and it has not been considered yet so far as I know.

CANADIAN ARMY

OVERSEAS SERVICE—PRESS REPORTS OF REMARKS OF MAJOR GENERAL PEARKES TO PERSONNEL IN BRITISH COLUMBIA

On the orders of the day:

Mr. J. S. ROY (Gaspe): I desire to address a question to the Minister of National Defence in connection with the important statement made by him yesterday as to the campaign that is going on among the draftees in order to get them to sign for overseas service. Should one understand from that statement that the minister endorses and supports the language or talks of Major General Pearkes which he used speaking to the draftees last Friday at Vernon and Saturday at Victoria and as reported by the press?

Hon. J. L. RALSTON (Minister of National Defence): I have not seen any report of the remarks to which my hon. friend has referred. General Pearkes is a soldier and a citizen with a very distinguished record and one who has done magnificent service not only to the army but to Canada generally. I would fully expect that any statement which he actually did make—I do not know whether the reports to which my hon. friend refers reproduce his statements accurately or not—are such as I can endorse.

[Mr. Knowles.]

Some hon. MEMBERS: Hear, hear.

Mr. ROY: I do not question the gallantry of Major General Pearkes.

Some hon. MEMBERS: Order.

Mr. ROY: I repeat, Mr. Speaker, that I do not question the gallantry of Major General Pearkes, but what I want to know is whether such language as he used can be used among draftees or not.

Mr. CRUICKSHANK: Why don't they join the army?

Mr. ROY: And what he said at Vernon and Victoria has been published in every newspaper in Canada.

LABOUR CONFERENCE

INTERNATIONAL LABOUR ORGANIZATION—POST-WAR FINANCIAL AND ECONOMIC POLICY

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): I desire to address a question to the Minister of Labour. News dispatches appearing in to-day's press indicate that the Canadian delegation to the international labour organization meeting in Philadelphia yesterday failed to achieve unanimity with respect to a resolution introduced by the parliamentary assistant to the Minister of Labour said to be designed to take from the current meeting the authority to define the role of the international labour organization in the post-war international order. It is stated that one of the Canadian delegation, Percy R. Bengough, indicated his opposition to the proposal, stating that he would fight against its adoption. On April 20, at page 2180 of *Hansard*, I directed an inquiry to the Prime Minister with respect to this matter, asking him if the government had given consideration to the point and, if so, what decision had been reached as to Canada's policy. I also asked him if the Canadian delegates to the meeting had received any directions from the government relating to the matter. To this inquiry the Prime Minister stated that no instructions had up to that time been so given. I would like now to ask the Minister of Labour if the stand taken by his parliamentary assistant was made on the instructions of the government and if the position taken by him at the meeting has the full approval of the minister and the government.

Hon. HUMPHREY MITCHELL (Minister of Labour): I would say by way of preface that since the international labour organization is a deliberative assembly like this House of

Commons, at times differences of opinions arise in the early stages of discussion and upon particular questions. Further in answer to the leader of the opposition, I would say that the resolution which was submitted in line with the policy expressed by the Canadian government delegate in his speech, far from being a move designed to block or delay progress, is designed to secure the earliest possible and most effective action on four fundamental constitutional problems before the international labour conference. Each of these involves important considerations which cannot, because of the constitution of the organization and the nature of the subject, be finally settled at this conference. The Canadian government delegates fear that the conference might come to an end with no machinery having been set up to continue work on these questions. The resolution provides for consideration of them by the conference now and continued consideration after the conference. They accordingly have proposed that a committee shall sit during and after the conference. Their resolution is intended to help the organization to secure the action which all members of the organization want in the shortest possible time.

The government believe that the I.L.O. has an important role to play and they favour the adoption of a broad declaration of purpose along the lines proposed to the conference by the international labour office. No step must be taken which will interfere with the legitimate and most useful role of the organization, made up of representatives of governments, workers and employers. The main consideration now is to see that the future of the I.L.O. is not jeopardized, and that the I.L.O. is fitted into its proper place in the emerging international organizations.

Mr. GRAYDON: I take it from what the minister has said that the stand of the parliamentary assistant was in accordance with government policy.

SUGAR

RATIONING—REPORTED CHANGE IN UNITED STATES ALLOTMENT FOR CANNING PURPOSES

On the orders of the day:

Mr. J. H. BLACKMORE (Lethbridge): I desire to direct a question to the Minister of Finance. Inasmuch as it is reported the United States government has promised to allow United States people twenty-five pounds of sugar per member of the family for canning purposes in 1944, while Canada is reported to be allowing only ten pounds per member, will the minister make a statement to the house on Monday or at some early day setting forth the facts of the situation and the reasons therefor?

Hon. J. L. ILSLEY (Minister of Finance): I shall have to verify the fact that the United States government has promised twenty-five pounds per person. I had no knowledge of that. I would think that when the wartime prices and trade board estimates are before the house would be soon enough to go into the matter, but if the hon. gentleman wants an answer sooner, and I can do it briefly, I will give it to him. I do not think it would be appropriate to make a long statement on the subject on the orders of the day.

Mr. BLACKMORE: It need not be long. There is a great deal of uncertainty in the country by reasons of these reports. I am merely stating what is reported.

Mr. ILSLEY: If I can make a short statement I will do so at an early day.

WHEAT

PARTICIPATION CERTIFICATES FOR CROP YEARS 1940-41-42

On the orders of the day:

Mr. E. E. PERLEY (Qu'Appelle): I desire to direct a question to the Minister of Trade and Commerce. Can he inform the house whether any payments have yet been made on the producer participation certificates for the crops of 1940-41-42. There are a good many million dollars involved and many producers are waiting to see if they can get the money within the next few days to enable them to buy victory bonds. It would help materially in the sale of bonds if payment could be rushed in the next week.

Hon. J. A. MacKINNON (Minister of Trade and Commerce): The payments referred to will be made immediately, I believe.

Mr. PERLEY: In time for the farmers to use the money for the purpose I have indicated?

Mr. MacKINNON (Edmonton West): I wish to amplify the statement I have just made The hon. member for Qu'Appelle knows the extent of the actual physical operations involved in getting out these payments to roughly two hundred thousand farmers in western Canada. The facilities of the wheat board have been stretched to the utmost to get the work under way. They are working practically day and night to get the payments out and I am in continuous touch with them urging that they do what I know they are trying their utmost to do, to get the payments out at the earliest possible date. I expect they will start within a day or two, very soon at any rate.

WAR APPROPRIATION BILL

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

The house resumed from Thursday, April 27, consideration in committee of a resolution to grant to His Majesty certain sums of money for the carrying out of measures consequent upon the existence of a state of war—Mr. Ilsley—Mr. Bradette in the chair.

DEPARTMENT OF LABOUR

National selective service programme, $11,002,429.

Hon. HUMPHREY MITCHELL (Minister of Labour): Mr. Chairman, the committee have been given the latest information on the expansion of our armed services and have been brought up to date on the production of the materials and facilities for war.

Man-power is basic to all accomplishments, and my colleagues, I believe, will be the first to agree that the work of the Department of Labour is an integral part of the story of achievement which they have been privileged to tell.

In my opinion the true yardstick of a successful man-power policy is the degree to which the armed forces are mobilized for the job of fighting and the material resources organized for maximum output of munitions, food and all the other things necessary.

At the end of 1943 we had more men and women in our forces than at any previous time in our history. Despite this, production for war was on an unprecedented scale.

It must be realized that as new types of war equipment are required, or as the emphasis of military requirements changes, we must revise our man-power allocation to meet the new needs.

I have before me a table which shows that 5,057,000 or 57 per cent out of a total population of 8,820,000 aged fourteen and over were in the armed forces or at work at December 1, 1943. From the beginning of the war to that date there was a total increase of 1,317,000 or 35 per cent in the number at work or in the armed forces; from January 30 to December 1, 1943, we added 177,000.

Growth in the number of women in employment and in the services has been phenomenal, increasing from 638,000 in August, 1939, to 1,075,000 as of October 1, 1943, a gain of 437,000 in the four years.

The strength of our armed forces has gone up by 759,000 since war began; 124,000 joining the forces in the ten months ended December 1, 1943. The number of workers of both sexes in war industry alone was 1,104,000 at the same date.

[Mr. J. A. MacKinnon.]

We have arrived at our present position by constant adjustment of the selective service machinery capable of putting the most workable plans into effect.

Every effort has been made to bring into our man-power pool the skill and services of all our people. We had, as we know, a breathing space in the early months of the war. We were able to study the problems of man-power control, in which we had little experience on this continent. After the fall of France in the summer of 1940 Canada was looked to as an arsenal of supply in the battle for world freedom. Compulsory calls for military training were introduced. We took stock of our human resources through national registration. We buckled down to the task of augmenting our skilled man-power, notably through the war emergency training programme. Many other measures were adopted to effect a general mobilization of our industrial and man-power assets.

Selective service was introduced through orders in council which became effective on March 23, 1942. Under P.C. 2250 permits to enter certain classes of industries and occupations were required. P.C. 2251 stabilized employment in agriculture. These two orders in council were the basis of operation for two months.

P.C. 5038, passed in June 1942, ordered every person, male or female, regardless of age, to obtain a permit for any employment. There were a few minor exceptions to this broad rule.

In August, 1942, P.C. 7595 replaced P.C. 5038. Under this order:

Permits to seek and enter employment were required;

Employment could be terminated only on service of notice of separation;

Employers had to report vacancies;

A basis for a labour priority schedule was established.

Advertising for help was controlled. Compulsory direction of unemployed persons to employment came into effect.

Provisions were made for reinstatement in employment and supplementary allowances.

These selective service regulations continued in force until January 19, 1943, when the present order in council P.C. 246 took effect. This order consolidated all the selective service regulations relating to civilians, includings those dealing with technical personnel and labour exit permits. Major developments in the regulations since then have been in the way of compulsory transfers of civilians.

Selective service also was given authority to direct to any suitable employment persons who had been found unfit for service in the armed forces.

In September last, it was decided that no person employed in a "designated establishment" could leave his employment without the permission in writing of a selective service officer. Correspondingly, the employer could not discharge an employee in such an establishment without permission. "Designated establishment" means an establishment which has been given an "A" or "B" labour priority rating.

Our major problem on the civilian side is to maintain an adequate working force in the high priority industries. The system of separation notices has done much to maintain man-power in war production.

The rules are not inflexible, being administered in a practical sense as a control rather than a prohibition. Where good reason for termination of employment either by employee or employer is shown, the selective service officer gives approval and an attempt is then made to place the worker in other high priority employment. In order that the local office may do the job assigned to it, it must have a complete picture of both supply and demand. It must have available information regarding all existing vacancies and knowledge of the men and women available to fill those vacancies. It then is in a position to make use of the labour priority schedule and continue the movement upward of available employees into the higher labour priority brackets.

During 1943 some 1,944,026 placements were made by our employment service offices.

The national selective service advisory board was reconstituted in March, 1943. No significant regulations concerning man-power are issued without approval of this board. It is one of the major instruments for consultation and collaboration between government, employers, workers and farmers.

Next is the national selective service administration board, over which the director of national selective service presides. This board is composed of the associate directors of national selective service and carries the burden of the day-to-day administrative problems. As members of the administration board are also members of the advisory board, coordination of advisory and administrative functions is as complete as possible.

Decentralization has been provided for by the appointment of regional directors and regional national selective service advisory boards in Quebec, Ontario, the prairies and the Pacific. An advisory board for the maritimes will be constituted in due course.

These regional boards are under the chairmanship of the respective regional directors and include the chairmen of the mobilization board and the regional employment committee, the regional employment superintendent, one or more representatives of labour, representatives of the wartime prices and trade board and the Department of Munitions and Supply.

These boards act in an advisory capacity to the regional director in the same way that the national board assists the director of national selective service. To these boards I am adding representatives of the Departments of National Defence and Agriculture.

It was extremely fortunate that unemployment insurance was inaugurated in 1940 as this led to the creation of a national employment service. Thus we laid a solid foundation for our war-time man-power machinery. Up to 1940 there was no wholly dominion employment service. Now there are 242 offices in five regions across Canada, staffed by some 5,200 persons.

It is in the nature of things that complaints are given publicity, whereas the praises of our employment service are seldom heard. An incident comes to my mind which suggests the other side of the picture. It concerns the work of the Edmonton office. The American authorities called the manager of the local office one Saturday morning requesting 250 men for a construction camp to leave for Waterways on the following Monday. When the manager inquired what they wanted in the way of men, the reply was to the effect, "You know what we want—superintendent, foremen, carpenters, labourers, cooks, handymen—everything that goes to make up a camp, and we want them on the train Monday morning." When asked whom the men would be working for the reply was, "We don't know yet—you will have to coin a name for the contractor because we haven't let the contract yet or formed any company to handle it." To cut a long story short, the local manager got busy with two radios, sending out calls at intervals on Saturday afternoon and evening. He opened the office at 6 a.m. on Sunday, kept it open all day, opened again at 6 a.m. on Monday, arranged for a special train and at 11 a.m. on that morning the train pulled out for Waterways with 250 men on board.

When I addressed the committee in June last only two compulsory labour transfer orders had been issued and our experience in the problem of compulsory direction was limited. We have now seven orders which are applicable to every male person who has attained the age of sixteen years and has not attained the age of forty-one years. The orders issued to March 15 have involved an examination of the employment of no fewer

than 99,453 individuals who have been personally interviewed. There have been 15,359 transfers. It is worth noting that very few of the 15,000 raised any objection and in the extremely few cases which did arise, forty or so in number, there were adjustments without having to resort to prosecution.

I do not mean to imply, Mr. Chairman, that national selective service regulations in general would be of value if there was not some power of enforcement behind them, but it was recognized that time should be given to allow for public education.

As of August 1, 1943, only a small number of prosecutions had been commenced. It was then decided to take a more serious view of instances of non-compliance and contraventions. A vigorous policy of enforcement has since been carried on.

At the present time, the machinery of the department includes an extended enforcement organization operating in our five regional divisions. From July, 1943, to the end of February of this year, 14,765 cases of reported contraventions were investigated and studied. Apart entirely from the number of actual prosecutions much constructive work is being accomplished in the adjustment of complaints and settlement of disputes.

It will be noted that the number of reported contraventions indicates that a very important work is being done in adjusting and settling disputes in the field, in fact over ninety-five per cent of the cases are settled without prosecution. The general acceptance of these wartime rules and restrictions by employer and employee alike indicates a spirit of cooperation on the part of the great majority of those affected.

Steps have been taken to protect the personal liberty of the individual against what might be felt to be an arbitrary ruling of a national selective service official. Any man who is directed by a selective service officer to leave his employment for higher priority work, or who is directed to remain in his present employment, or any person who is affected by the ruling, order or direction of a selective service officer, has the right of appeal to a court of referees.

These courts were originally established for hearing appeals regarding unemployment insurance benefits. They have an equal number of employer and employee representatives on them, with an impartial chairman, are constituted on a district basis, and are not subject to administrative control. The result is that an appeal is heard by a court whose members are familiar with labour conditions in the district. Here is democracy in action. These courts have heard over 2,500 appeal cases up to the 31st March, 1944. Considering the tremendous volume of work which has fallen upon selective service officers it is of considerable significance that such a small number of their decisions have been appealed. The fact that less than one-third of the total number of appeals heard were allowed, is also strongly indicative of the soundness with which selective service officers have made directions, rulings and orders.

I should like now to deal with the specific branches, particular problems and achievements of the Department of Labour's wartime activities.

Women's division. I am glad to record here the magnificent part played by the women of Canada in all phases of our war effort. They have come forward voluntarily to accept all kinds of work at a rate and with a spirit that is nothing short of spectacular.

Mr. GRAYDON: They do not always get enough credit for it, though.

Mr. MITCHELL: I would agree with my hon. friend, and would go further. I speak more particularly now of Great Britain, where I have seen how it has worked out, but I do not think we could win this war without the women. I believe the contribution being made by the women of Great Britain and Canada is perhaps a little better than that of the men. I may be criticized for making that statement; nevertheless, I believe it.

Mr. GRAYDON: Excepting the contribution of the armed forces, you are on pretty safe ground there.

Mr. MITCHELL: This has released much man-power for the armed forces and for essential industry. As I stated earlier it is estimated that on October 1, 1943, 1,075,000 women were gainfully employed in Canada as compared to 638,000 in August, 1939. In addition, there are over 760,000 women—wives and daughters of farmers—who are supplementing the work of men to maintain the high record of farm production. Each year these women have taken on more and more of the farm work in addition to their work for the home and family, at a great sacrifice of time and energy. It is, of course, in war industry that we have seen the greatest expansion in the employment of women. In June, 1941, there were 40,000 women so employed. By September 30, 1943, that number had increased to 235,000 to keep pace with the heavy and varied demands of war production. This large employment of women in a thousand different industrial plants has created problems of its own in connection with work conditions. The provincial governments, as members know, have jurisdiction over conditions of work for

women. Therefore we maintain close cooperation with provincial departments of labour with respect to such matters; and frequent discussions are held with employers concerning adequate welfare service for their employees. As a result many new services and improvements in accommodation have resulted.

Last year it became necessary to make an appeal to women who ordinarily would not be seeking employment. It was recognized that many such women might be able to accept only part-time employment, either part of each day or part of a week. So that employers had to be encouraged to make greater use of the part-time worker. As shortages developed in one area after another the Local Council of Women or the Women's Institute sponsored a campaign appealing to women to take full-time or part-time employment.

No such appeal was made in any area where it was not urgently required. Acute situations developed in Hamilton, Peterborough, Ottawa, Toronto, Halifax, Edmonton, St. Catharines, Welland, and in every instance the required objective was reached. These appeals not only secured many additional full-time workers; they also established the part-time worker as an integral and valuable part of our wartime man-power resources. As a result I am glad to be able to say that in all industrial centres the labour situation was very materially improved.

The entry, within two years, of nearly 200,000 women into war industry alone has had the effect, of course, of creating a shortage of help in other industries and services in which women workers have always predominated. One of these is hospital service. Our hospitals are crowded to their limit and more nurses are being employed than ever before. The non-professional personnel in hospitals has been augmented; and the number of student nurses in training is the largest in our history. Hotels and restaurants have absorbed thousands of new women workers; and we have been hard pressed to supply the labour requirements of laundries and dry cleaning establishments to enable them to take care of the needs of the armed forces as well as of their regular customers.

During the past year, the women's divisions of the employment offices have been augmented to deal more adequately with the great numbers of women passing through them. By means of intensive training, the quality of the work of our officials is steadily improving; and we are, I believe, now giving better service both to the woman applicant and the employer.

One of our problems has been the care of children during the days when their mothers are at work. Under the terms of agreements with the provinces, day nurseries have been expanded and increased in number to twenty-six. In Ontario the day care of school children outside of school hours has been developed to a considerable degree and units now approved are capable of providing for 1,700 children.

Farm Labour. Last year I pointed out that with fewer people on the farms during each successive year of the war, farmers had pushed the production of vitally needed food to higher levels. This record of our farm people was repeated in 1943. This meant working longer and harder each day. Results have been clearly revealed this past winter in the huge deliveries of live stock and live stock products to markets and processing houses.

Doctor G. S. H. Barton, deputy minister of agriculture, recently stated:

> In the course of the last four years Canada has increased the agricultural output by 50 per cent in spite of a reduction of 23 per cent in man-power.

He also gave the following figures with regard to quantities of agricultural products shipped to Great Britain during 1943.

Bacon	588,000,000 lbs.
Cheese	129,741,000 lbs.
Eggs (powdered)	34,743,510 lbs.

This exertion by the farm people themselves when under normal circumstances they work so hard, has been the major factor in overcoming the labour shortage. Because of a full recognition of this fact, we derive much satisfaction in that the plans which were put into effect in 1943 provided additional help for them. The results of our efforts to meet the farm man-power shortage were due to the co-operation of every provincial government in Canada working in partnership with the Department of Labour through dominion-provincial farm labour agreements.

The provincial departments of agriculture field staffs with the local farm committees organized by them have been indispensible to the successful execution of the plans of our employment service. These agreements provide for the sharing of expenses on a dollar for dollar basis for active programs in each province to recruit, transport and place help on the farms. Each of these programs is directed by an officer who is a joint employee of both governments.

Early in December last, we called these men and other senior officials to Ottawa for a conference on farm labour. Our purpose was to consider what progress had been made in 1943 and what improvements we could make in respect to the plans for 1944. It was

clearly evident at this conference that the working arrangements with the Department of Labour were harmonious and satisfactory.

Hon. members from one province will be familiar with the term "emergency farm labour service," in other provinces it is "farm help service," or "farm service force", or "farm labour bureau." These organizations, Mr. Chairman, represent our farm labour agreements in action.

In British Columbia last year more than 11,000 people registered with the dominion-provincial emergency farm labour service to help on farms. On the prairies the dominion-provincial farm labour organizations transferred hundreds of workers from point to point within each province and organized and distributed harvest help.

In Ontario the farm service force, operating under the dominion-provincial agreement reports nearly 100,000 placements of workers on farms in 1943.

The farm labour bureau was formed in Quebec under the agreement for the purpose of tapping every possible source of help and placing this help on farms.

In the maritime provinces the dominion-provincial farm labour organization helped to recruit labour for dairy and live stock farms, organized local sources of help for haying, potato and fruit-picking and distributed this help to those farms where it was most needed.

One of the most valuable features of the farm labour programme has been the financial assistance in transporting workers to their places of employment on farms. The Department of Labour paid the costs of interprovincial movement of labour and shared equally with each province the cost of transporting labour within the province. This plan greatly increased the mobility of farm labour.

During the 1943 season three large-scale excursions of farm workers were organized. Women and girls were recruited in Alberta and transported at public expense for berry picking in the Fraser valley in British Columbia. Early in July over 700 Saskatchewan farmers were brought down to Ontario to help with haying and early harvest. These men remained on Ontario farms until late in August when they returned to Saskatchewan for their own grain harvest. This excursion should be noted by our historians. We have been accustomed to organizing harvest excursions to the prairies, but we have no knowledge of their ever before having been put in reverse. This project was an outstanding success and proved a most valuable source of outside help to the hard-pressed farmers in Ontario. The Ontario farmers were grateful. They expressed their thanks to the people of the west by acting, not merely by words.

[Mr. Mitchell.]

When harvest help was badly needed on the prairies in September, more than 5,000 farmers and farm workers from Ontario offered their services. Over 3,700 actually made the trip. More could have gone, but when our farm labour officials on the prairies called "Halt, enough", no more applicants were sent out. We have been told that never before has such a good class of man been sent out on a harvest excursion.

We received splendid assistance during the past season from members of the three armed forces. In September and October more than 15,000 men from the army, the air force and the navy helped to take off the crops in all parts of the country. Men from the army, which made up about 11,000 of this number, were supplied in two ways. The majority were granted compassionate leave to return to their own farms or those of immediate relatives. The second source of help from the army was from men supplied through the farm duty plan. Under this plan, which to my knowledge was developed for the first time, men were detailed under military discipline for work on farms. About 2,500 men were made available and worked in all parts of Canada, the majority being employed by farmers in the prairie and maritime provinces.

Last session my colleague the Minister of National Defence for Air stated rather bluntly that he "was not training an air force to go farming". I am glad to say that the natural generosity of his disposition could not for long be suppressed, because he did authorize the issuing of an order providing up to six weeks harvest leave for certain personnel in the air force. A total of 4,326 men were granted leave under this order. All provinces benefited.

Through a special arrangement made by provincial agricultural officials and the federal departments concerned, more than 600 sailors from Deep Brook, Nova Scotia, assisted with apple-picking in the Annapolis valley. This proved a most useful source of help during a critical emergency and the work done by the sailors was greatly appreciated by the apple growers in the valley.

There has been a great deal of discussion about men called from farms to serve in the army. Later on I will table an analysis of postponements in effect at the end of January, 1944, by mobilization divisions and by industries.

Out of a total of 246,133 for all industries, 142,400, or about 58 per cent, represent the number of farm workers on postponement. This large number of postponements given to farm workers, I am sure hon. members will agree, is tangible proof of the favourable treatment given to agriculture by the mobilization boards.

That our efforts respecting postponements of military service for essential farm workers are appreciated is illustrated in the following unanimous resolution which has recently come to hand:

> The Ontario Concentrated Milk Producers' Association wish to state their appreciation of the efforts of the federal selective service in making it possible for experienced farm help to obtain deferment privileges and thus remain on the farms.

The farm people, even with their reduced members, have not remained satisfied with having achieved the greatest food production in our history. Last fall, and early winter, thousands of farmers, farmers' sons, and other farm workers, responded to our appeal for help and moved to the woods, mines, food processing plants, and other essential industries. We appealed only to those who could be spared from their farms during the winter and they were given other work on the understanding they would be released in the spring to return to their farms. This principle was emphasized in extensive publicity conducted as part of the recruiting campaign.

Assistance given by these farmers greatly eased the labour shortage in many industries. Cooperation of provincial field men and local committees made possible a more thorough checking to see that farmers needed on their farms during the winter remained there; also through this assistance we have a much more complete record of those entering other industries.

The return of these men to their farms is now practically completed. Because of a late spring season in certain areas some permits were extended, after consultation with provincial departments concerned, until May 1. The vast majority of farm workers have returned to the farms of their own accord. Only in a very few cases was it necessary to follow up on the cancellation of permits.

We shall avail ourselves of every possible source of help for farm work during the coming season. Extensive plans are under discussion with the Department of National Defence. Already special spring farm-leave orders, authorized by the Department of National Defence (army and air), are resulting in a large number of men being granted temporary leave to assist with seeding operations.

Selective service officers stationed at military reception centres now interview all men rejected or discharged from the armed services, with a view to referring suitable men to farms. In industrial plants where lay-offs are occurring, those experienced in agriculture are as a matter of policy laid off second only to those suitable for military service.

During the past few weeks officials of the Department of Labour have visited all the provinces to discuss the renewal of dominion-provincial farm labour agreements. Every province is anxious to continue agreements and confidence seems high in the provinces that this year's problems will be handled effectively. We feel that the successful experience of 1943 which was really our pioneer year in an all-Canada programme to meet the farm labour problem will enable us to do a better job in 1944.

Lumbering and Logging Employment. For some time, it will be recalled, there has been a pronounced labour shortage in the lumbering and logging industry. The situation has been met in various ways.

As usual, the industry, east of the Rockies, drew the major portion of its labour in the peak winter season from agricultural workers. But west of the Rockies, where a more highly skilled type of labour is called for, most of the woods labour had to be secured from other sources. Labour shortages were met by men transferred from agriculture and from other industries; by men granted special leave from the army; by postponement of military service; by the employment of enemy aliens, and prisoners of war and conscientious objectors.

Transfers from less essential industries have been effected both on a voluntary basis and as a result of compulsory employment transfer orders.

To March 15, 1944, 869 workers were transferred to lumbering and logging by such orders.

Over a year ago the Department of National Defence arranged to grant three months' leave of absence to army personnel having previous logging and lumbering experience in British Columbia, to return to such employment in that province. The duration of the leave was subsequently extended to six months and leave is now granted for this period and is subject to renewal for further six months' periods at the discretion of military authorities.

Interned aliens have been used on reforestation and fire control work in Ontario and British Columbia; Japanese have been engaged on actual logging and lumbering operations in Ontario and in the interior of British Columbia; services of prisoners of war have been utilized in labour camps. They

have been used extensively in Ontario, Quebec, and in the west, in logging and lumbering operations and also in fuel wood cutting.

Conscientious objectors have also been directed into logging and lumbering operations.

Through the steps mentioned and as the result of an extensive campaign undertaken by national selective service in conjunction with the provincial government officials and the industry a greater number of men were employed in woods operations since the end of November than a year ago.

Because of the many small operators and the fact that farm workers may enter employment in the woods for less than sixty days without a permit, it is difficult to obtain an exact record of the total number of men employed in the industry at any given time. However, we know from the records of the local employment and selective service offices that, during the period from October to December 1943, there were over 7,000 more placements than last year. During the first five weeks of this year, there have been some 6,000 more placements than in the corresponding period of 1943.

The reports we have received from the pulpwood committee of the pulp and paper industry of Canada further substantiate the conclusion that there are more workers engaged in woods this year than last. East of the Rockies there were nearly 9,000 more men employed on February 26 of this year than at the same time last year.

In the fall of 1943 the timber control estimated that lumber production for the year 1944 would be about 5 per cent less than in 1943. In view of war demands, this was a serious situation. It now appears that Canadian lumber production this year will equal the 4,630,000,000 feet produced in 1943. A similar improvement has taken place in respect to pulpwood production. Whereas a decrease in production as compared with the previous cutting season had been anticipated, this winter's production will record an increase of 3 per cent to 4 per cent.

In the fuel wood branch of woods operations, the situation has been satisfactory. Sufficient fuel wood has been cut to satisfy the needs. The mild weather was an easing factor.

Shiploading Operations—Halifax. In the last year we have met the increasing demands made at Halifax on our shiploading facilities. It had become increasingly apparent that the turn-round period of ships would have to be shortened to keep pace with the rising tempo of ship movements. It was realized that a speed-up in loading would in effect amount to an increase in the actual number of ships available. Following an investigation made in 1942 a wartime reorganization plan was put into effect in May of that year, and has been adjusted and improved as occasion necessitated. A controller of loading operations was appointed vested with complete authority to coordinate the activities of all agencies directly or indirectly engaged in shiploading.

A new method of hiring longshoremen, through a central despatching agency, was put into effect regularizing the method of hiring and providing a permanent gang system.

But that could not of itself overcome a constant over-all shortage of men caused by enlistments and the drift to war industries. Therefore selective service regulations were amended to provide for the return to the docks of ex-longshoremen, for the "freezing" of the existing personnel, and for making other men available by specific directed transfer to longshore work.

A longshoremen's reserve pool was then set up, each man required to report to any longshore work to which he was dispatched, or to any other type of work in Halifax to which he might be directed, or to longshore work in any other port in Nova Scotia or New Brunswick. Provision was made for all longshoremen registered at the dispatching agency and in the reserve pool to receive a guaranteed minimum weekly wage based on a forty-eight hour working week at daytime rates.

By arrangement with the Minister of Transport, bunkhouse accommodation was secured for five hundred men who were recruited by national selective service and a staff engaged under the direction of a pool superintendent.

Night work has hitherto been very unpopular; but by setting up a system of regular gangs and their rotation as between day and night work, an increase in night work has been obtained. This will increase with the opening shortly of a Government operated canteen at the north-end terminals provided particularly for night workers.

The supply of labour has been stabilized; there is a considerable improvement in the system of hiring; and the previous wasteful turnover of labour has been reduced.

By a recent arrangement with the Department of National Defence, port companies are to be useed at peak-load periods when civilian labour supply is insufficient.

The situation is under constant review, of course, as conditions are not static.

Prisoners of war and Japanese.—A special problem handled by the department is that of utilizing the labour of prisoners of war, on

essential work projects outside internment camps. This has been chiefly in fuel wood, pulpwood, and lumbering operations, and to a lesser extent, in agriculture. Other projects using prisoners of war labour include a tannery and a company cutting peat fuel.

There were approximately 4,117 prisoners of war working on such projects outside internment camps at March 9. The prisoners employed in woods operations are, for the most part, working in groups of forty to sixty men in camps of private operators. Guards on the projects have been chiefly provided by the veterans' guard.

A number of prisoners of the civilian type such as German merchant seamen have been individually placed with farmers. It is the intention to extend the use of prisoners in agricultural work during the course of the current year so far as reasonably possible, consistent with security requirements.

Employers have, in general, been well satisfied with the work of the prisoners, and in many instances have later asked for an increased number.

The major administrative problem involved in putting prisoners to work is that of security. Where the percentage of guards in relation to prisoners is high, there is nothing gained in the productive use of man-power. Some risks as to escapes have therefore to be accepted in putting prisoners to work. Escapes have, however, been few in number and in every instance, the prisoners have been picked up within a short time.

The policy followed by the department, in close cooperation with the Department of National Defence, is one of careful selection of prisoners coupled with the use of sufficient guards to ensure discipline and control and to maintain a guard patrol on the project.

The hon. member for York West (Mr. Adamson) inquired some time ago as to the base rates paid to prisoners of war and the regulations under the Geneva convention which cover this.

Prisoners of war are paid under "Convention relative to the treatment of prisoners of war," which was concluded at Geneva on July 27, 1929.

After reference to the imperial prisoners of war committee the rates paid to prisoners of war in Canada were fixed by order in council in accordance with chapter 5, article 34, of this convention.

The Canadian rate is 50 cents per day; the United States rate is 80 cents per day; the British rate is one shilling per day.

The British Columbia security commission, which handled evacuation of 21,000 Japanese nationals and Japanese-Canadians in 1941, was dissolved early in 1943, and the powers of the commission reverted to the Minister of Labour acting through a commissioner stationed on the ground.

The labour department's objective for 1943 was to place the employable men and women in useful work where they were most needed in Canada, to provide adequate welfare for the unemployables, and to provide at least a minimum Canadian education for the children.

Special emphasis has been placed on reallocation of Japanese, both singly and in family groups, to areas where essential industries have urgent labour shortages.

By the end of 1943, there were 4,000 Japanese in self-supporting employment in British Columbia (including women and children), 4,700 on the prairies, and 3,000 in eastern Canada, these totals in each case including a few hundred who were there prior to Pearl Harbor. Thus approximately one-half of the Japanese in Canada were supporting themselves at useful labour in various parts of Canada at the end of 1943.

During 1943, there were approximately 4,700 Japanese working on sugar beets in Alberta, Manitoba and Ontario, an increase of 1,000 over the preceding year.

About 600 Japanese have been employed in lumber camps in British Columbia and approximately the same number in woods operations in Alberta, Manitoba and Ontario. The latter were transferred from farms and will return to farming this spring.

Japanese in the settlements of British Columbia have produced 35,000 cords of fuel wood, of which 20,000 cords have been shipped to Vancouver, also 1,700,000 board feet of lumber and a variety of other wood products.

There also are at least 2,000 more Japanese men and women scattered from British Columbia to Quebec—as railway section hands, fish and vegetable and fruit canners, domestics, and cooks, factory and office workers, dry cleaners, tanners, and so on.

With few exceptions, the Japanese in Canada, especially the Japanese Canadians, who are seventy-five per cent of the total number, are working industriously and causing no trouble.

Mr. GREEN: How many are interned?

Mr. MITCHELL: I do not know. I could only give an off-the-record-guess.

Mr. ROEBUCK: Has there been any sabotage?

Mr. MITCHELL: None at all. The Department of Labour plans in 1944 to apply selective service direction more fully to the

employable Japanese not yet in essential industry, thereby also accelerating the reallocation programme.

Mr. GREEN: Could the minister give us the general policy of the department with regard to the Japanese?

Mr. MITCHELL: If my hon. friend will wait until I have finished this little digression, the sky is the limit and I will answer what he wants to ask me.

Coal mining. The situation of the coal mining industry was declared to be a national emergency in May, 1943, and last June the steps taken to that time to solve this situation were outlined to you. Since then our efforts have been continuous.

With the cooperation of the Department of National Defence, employment and national selective service officers have made every effort to locate soldiers in the army in Canada with coal mining experience, who could be spared from army duties. As a result, 2,144 were on leave from the army to work in the coal mines as of March 15, 1944.

Last May, order in council P.C. 4092 was passed, and directed that men with coal-mining experience then engaged in other industry, and who were physically fit, should be returned to the mines. They were exempted from military service until February 1, 1944, and, in fact, prohibited from enlisting voluntarily. P.C. 121 of January 10, 1944, has extended the effect of this order until August 1, 1944.

Up to March 15, 2,276 men were referred to the mines under these orders. A further 485 workers have been referred to coal mines under other orders. (P.C. 4861 and 6077).

There remains a demand for highly skilled miners to work at the face of the mines, particularly in the maritimes, but until such time as they are obtained the need for unskilled workers has been met.

After long negotiations training classes to provide skilled workers at the coal face will, it is anticipated, be started in the near future in the maritimes under the war emergency training programme. It is hoped this programme will develop and that it will provide a number of the required certificated miners.

Gold Mining. During 1943, an acute manpower situation developed in the gold mining industry. This was due to the fact that in 1942 it was necessary to curtail gold mining in order to ensure man-power for the mining and production of more essential metals and minerals, nickel particularly.

In 1941, the average number of employees in the gold mining industry was 33,348. In 1942 the average dropped to 26,501. In 1943 there was a further drop to 18,320. At the end of 1943 there were only about 16,000 men employed in the gold mining industry, a drop of 52 per cent from the 1941 average.

In September, 1943, the gold mining industry claimed that this labour loss had caused operations to fall considerably below the economic point, and that essential maintenance work was being neglected. It was represented to the Department of Labour that if the situation continued, some of the mines would be forced to close down entirely, and thus jeopardize future operations.

In October, 1943, a survey of the gold mines was made by selective service to determine the minimum number of men needed to keep each mine in operation. On the basis of the report, I approved a temporary change in the labour priority of gold mines to permit the hiring of 800 men not immediately required for high priority jobs.

In certain industries and occupations, notably flour mills, meat-packing and cold storage plants, replacement of trained and able-bodied male help by female workers and older men had proceeded to such an extent that it had the effect of creating a demand for more able-bodied male workers.

At August 28, 1943, there were 12,276 male and female workers on the payrolls of Canadian packing plants. There existed an almost immediate demand for another 4,000 male employees. At December 4, the payrolls had increased to 16,300. The employment service had found 4,024 more workers for this industry.

The parliamentary assistant to the Minister of Finance on February 29, 1944, stated:

> During the first 8 weeks of 1944 the inspected packing plants in Canada have slaughtered 780,000 more hogs, 50,000 more cattle, 10,000 more calves and 30,000 more sheep and lambs than in the corresponding weeks of 1943. These figures represent an increase of 80 per cent in hogs, 50 per cent in cattle, 20 per cent in calves and 35 per cent in sheep and lambs.

We have supplied workers for flour and feed mills to enable increased shipments of flour overseas and to meet a shortage of feed for live stock in Canada.

During the past eighteen months the staffs of coal merchants, especially in large centres, became depleted to a point where drastic action became necessary to assure coal deliveries to householders. An order was issued temporarily halting calls to military service, and a special effort made to provide more men. By the end of November the situation had cleared.

The primary textile industry has received special attention. An officer was loaned to the industry to survey the mills and to direct the

recruiting campaign for labour. Enough workers were found to assure the output of supplies directly required for military needs, but the civilian supply has been necessarily curtailed. Production for civilian needs is now being stepped up and plans adopted to provide for the current year.

To meet the labour shortage in tanneries, special campaigns were conducted and a supply of men made available from prisoner-of-war camps.

Agricultural labour available for release from the farms following the harvest was also transferred to essential civilian industries, and this relieved a serious shortage. These men are being returned to agriculture this spring, thereby creating a demand for labour to fill the vacancies.

Many civilian industries not classed as essential, but nevertheless of primary importance, have maintained production in many instances by the use of female labour working part time.

War industries: construction and transportation, base metals—My colleague, the Minister of Munitions and Supply has given you figures on shipbuilding, aircraft building and products of munition plants.

Our war production is delivered not only to Canadian forces at home and abroad but is going to Britain, the United States, India, Africa, China, Russia, Australia, New Zealand and the south Pacific.

Canada ranks fourth amongst the united nations as a producer of munitions with a weekly output of more than $55 million worth of munitions.

By the end of 1943 Canada had produced more than 10,000 planes; 600,000 motor vehicles; 750 escort, cargo and patrol ships; vast quantities of chemicals and explosives, and millions of dollars worth of signals equipment and instruments. All of this has meant supplying and using to the best possible advantage, man and woman power.

To attain this objective it was necessary to develop a close liaison between the Departments of Labour and Munitions and Supply. As changes in the production programme were made, shifts in man-power had to be made.

It is true that we never attained a position where every vacancy was filled. Nevertheless, it can be said that the various programmes were not seriously impeded by shortage of man-power. In fact the production figures prove this to be correct. Since September, 1943, the demands have lessened somewhat, although there are shortages for strong labourers who can do heavy manual work and also for skilled mechanics.

The requirements of the base metal mining industry have been very heavy and were particularly difficult to fill in view of the fact that the men required were necessarily of good physique and most of this type are in the armed forces. This necessitated the constant combing of other industries for the essential men required by the mines. Special campaigns of various kinds were inaugurated to keep the working forces of the mines at the necessary levels. Particular attention was given to the needs of the nickel mines.

At the close of the 1943 season large numbers of farm labourers were supplied to the International Nickel Company, Consolidated Mining and Smelting Company, the Hudson Bay Mining and Smelting Company, and Sherritt Gordon Mines Limited, and to other base metal mines.

The development of the iron deposits at Steep Rock lake in Ontario was pushed forward during the year. This project necessitated draining lakes, driving large tunnels through rock for considerable distances, making new railway facilities and developing loading machinery. A river has been diverted that required at the peak of this project a labour force of one thousand men.

It should be appreciated that this undertaking involving the employment of thousands of workers has been carried on as a special task in the midst of war, and that all of this labour has been supplied through a system of labour controls and priorities. Generally production was maintained at high levels, this being due largely to the excellent cooperation between management and workers.

Shortages of men in the construction industry were partially met by transfer of thousands of workers to the more important construction projects. Demands were mainly for strong unskilled men.

Many large projects were completed on or near to their scheduled dates, as for example, the synthetic rubber plant at Sarnia.

The labour needs of rail, water and road transportation systems also were heavy during the peak months of summer and early fall. We did our best to meet them. The Department of National Defence cooperated and lent soldiers for urgent track maintenance. Some Italian prisoners of war were also used.

Special drives were made to obtain lake seamen during their off-season, and by arrangements made that these men returned for the reopening of navigation.

There is still a shortage of workers on combat aircraft, ship and aircraft repair, and for highly skilled workers in other lines. There are also insistent calls for both common labour and partially skilled labour.

Lay-offs. The matter of lay-offs in war industries has come to the fore in recent months. As the war progresses, changes in production programmes and the curtailment in production of certain supplies necessarily involve cancellation of some contracts and changes in others.

Early in November last it was announced that such changes would make it necessary to lay off a considerable number of workers in various plants. The employment service studied the situation. Arrangements were rapidly made to have these lay-offs effected in an orderly manner with a minimum of time loss in transferring workers to other jobs.

As a general policy it was decided that all those men who were on military deferment should be called for the army unless they were considered to be indispensable to industry.

Further it was decided that the order in which workers were to be laid off should be:

(1) those with previous agricultural experience, particularly dairy farming and stock-raising;

(2) workers who were needed in other high priority industries in the same vicinity;

(3) workers required by outside high priority industries, and who could be moved;

(4) young workers without family obilgations and

(5) married women if their husbands were supporting them.

Up to the present, lay-offs have been considerably less than anticipated. This is largely due to new contracts being placed. I have in mind a certain lay-off which was being carried out at a steel plant. Before the lay-off had been completed a new order came for overseas account which required the reemployment of more men so that overnight the "lay-off" problem changed to one of finding additional staff.

Mr. SENN: Has the minister the figures showing the number of agricultural workers laid off, or does he not care to give them at this time?

Mr. MITCHELL: I will make a note of the question and endeavour to get the information.

Wartime bureau of technical personnel. There has continued to be a short supply of technically trained personnel and the work of the wartime bureau of technical personnel, which was set up in February, 1941, has thus remained of primary importance.

A large proportion of the requirements of the armed services and war and essential industries have in fact been met. This has been accomplished very largely through the efforts of the bureau.

The bureau, acting in an advisory capacity, has succeeded in many instances in assisting those in need of the services of engineers and scientists and also in advising individual technical personnel how the national interest might best be served.

By the use of the employment permit system the bureau contributes largely in directing technical personnel to high priority industries and in securing a high degree of stability of employment.

Working in close cooperation with the universities, the bureau has through the administration of the university science students regulations assisted materially in ensuring that university students in science faculties make the best use of their training period.

Upon graduation, the bureau has dealt effectively with the question of their allocation as between the armed forces and industry and as between industries.

War emergency training (Canadian vocational training). The war emergency training programme has been in operation since April, 1940.

Up to the end of March, 1944, approximately 12,300,000 man-days training have been given at a cost of about $20,000,000.

The gross enrollment of full-time and part-time trainees was 333,458. Of these 134,534 were full-time preemployment industrial trainees, 102,357 of whom are known to have been placed in employment prior to March 31, 1944.

Of all full-time industrial trainees, thirty-one per cent have been women, but during the present fiscal year the percentage of women has been raised to forty-six per cent.

As the demand of war industry and the armed forces for tradesmen diminishes, steps are being taken to adapt the training centres to provide rehabilitation training along vocational lines for men and women discharged from the forces. The Department of Pensions and National Health has asked the Department of Labour to assume responsibility for training of this type.

It is anticipated that a large percentage of rehabilitation training will be given in industrial or commercial establishments in those occupations for which training cannot be given in any preemployment centre.

An order in council was passed on January 21, 1944, making provision for the first time for dominion financial assistance to approved apprenticeship plans to be carried on by the provincial governments under apprenticeship acts. This is to provide for long term training in apprenticeships lasting at least two years and should prove of valuable assistance in helping to reestablish discharged members of the forces.

Special Placements. Many men and women are working today at jobs which at one time they might have thought themselves physically incapable of filling. A special placements division of the employment service was set up for the purpose of:

(1) Promoting efforts to place physically handicapped men and women in suitable employment, and

(2) Assisting in the placement of handicapped persons who have been trained by the vocational training branch of the department, or by other approved agencies.

A study is now being made of approved methods in use in other countries so as to provide our employment offices with practical information which will enable them to give the best possible advice to young people entering employment for the first time.

Wages policy. Wage rates in Canada to-day are at an all-time high level. They are considerably higher, in fact, than in 1920, when the cost of living was at the peak as a result of the first world war.

The wage rate index in 1920, the previous high in the pre-war history of the index, was 112·7. (Based on 100 for 1935-1939 average.) The index for 1942 was 127·5. While the index for 1943 has not yet been definitely determined, I do not hesitate to predict that it will show an advance over 1942.

It must also be remembered that the wage index does not give the complete picture. Overtime pay and bonuses have to be added.

Mr. JOHNSTON (Bow River): And it is nearly all taken off in taxes.

Mr. MITCHELL: That is quite true. I learned that to-day to my sorrow. If we have to pay taxes to win the war I do not care if they take everything off me.

The number earning has also greatly increased, as is shown by the fact that the employment index rose from 113·9 in 1939 to 184·1 in 1943. (At December 1943 the index stood at 190·6.)

Mr. DIEFENBAKER: The 113·9 refers to what year?

Mr. MITCHELL: 1939.

Mr. DIEFENBAKER: What was the basis? What year was taken at 100?

Mr. MITCHELL: I have not that with me. I shall take a note of it and look it up for my hon. friend.

In 1939 the total wages and salaries paid amounted to 2·55 billions of dollars. In the following years the totals rose steadily until in 1943 the figure of 4·7 billions of dollars was reached. (Source of figures—Dominion Bureau of Statistics.)

Since the outbreak of war, vacations with pay have been introduced, covering an aggregate of 600,000 employees.

Group insurance plans have been authorized in the case of 1,717 employers and covering 443,854 employees, while wage incentive plans have been approved covering some 30,000 workers.

Permission has been given to pay war risks bonus to crew members of vessels operating in dangerous waters.

I wish to emphasize that these improvements in the wage position of a large number of workers have taken place within the framework of the government's policy of controlling inflationary processes.

The flexibility in the government's wage stabilization policy is further illustrated by the records of the war labour boards, which since their inception to November, 1943, have dealt with 43,535 applications, covering more than three million employees under the wartime wages control orders. Of these applications, 36,829 were granted in full; 3,005 were granted in part and 3,701 were denied. Of these 43,535 applications, no less than 29,010, involving 906,182 employees, were requests to the boards for increases in wage rates. The wage applications granted involved an annual increase in employees' wages of nearly $100,000,000 a year. In addition, 3,395 applications for increases in cost of living bonus were dealt with. These applications involved 479,047 employees and resulted in an annual increase to employees concerned of approximately $50,000,000. The government's wage control policy has succeeded in my opinion, because of its flexibility; wage boards were given power to adjust inequalities, and I have given you the evidence that these adjustments were made.

The improved position of wage earners is best realized when the cost of living index is taken into account. Canada's record in this respect is outstanding among allied countries.

I have a statement here which I would like to have taken as read but which I now table so that it may appear in *Hansard* at this point in my remarks.

Table 5

COST OF LIVING INDEXES

Changes in cost of living index figures in Canada and certain other countries since August, 1939. (Index for August, 1939=100.)

Note: The index figures in each case are the latest available.

Canada—March, 1944	118·1
United States—January, 1944	125·9
United Kingdom—January, 1944	128·4
Australia—December, 1943	122·5
New Zealand—September, 1943	112·9
India—(Bombay)—March, 1943	198·1
South Africa—November, 1943	126·5
Eire—November, 1943	169·9
Mexico—November, 1943	173·1
Chile (Santiago)—September, 1943	196·4
Switzerland—September, 1943	148·9
Iceland (Reykjavik)—December, 1943	251·5
Egypt (Cairo)—September, 1943	252·3

Table 6

Comparison of changes in cost of living index figures in Canada and certain other countries since October, 1941, when regulation and control of prices and wages were put into effect in Canada

	Change since Oct., 1941
Canada	3·4
United States	15·0
United Kingdom	no change
Australia	12·5
New Zealand	4·4
India	79·1
South Africa	16·1
Eire	38·1
Mexico	60·3
Chile	54·8
Switzerland	16·1
Cairo	97·6
Iceland	84·5

Data for tables 5 and 6 were supplied by the Dominion Bureau of Statistics.

Industrial Relations. The officers of my department in settling disputes have relied upon persuasion and appeals to the common sense and patriotism of labour and employers. In the large majority of cases such appeals are successful.

In 1942, a reorganization, enlargement and centralization of the conciliation services of the department was brought about and in addition a system of cooperation with the various provincial authorities has been developed. A director of industrial relations was appointed and also made registrar of boards of conciliation and investigation under the Industrial Disputes Investigation Act.

[Mr. Mitchell.]

An important piece of legislation under the administration of the industrial relations branch is section 5 of order in council P.C. 4020, which provides for investigation into allegations of discrimination for union membership and activity. The commissioners appointed under this section are usually judges, and if they find the allegations well founded, they may recommend to the Minister of Labour the reinstatement of the dismissed employee.

In the two and a half year period that section 5 has been in effect, down to the end of 1943, sixty-four investigations have been conducted involving 431 individual employees. Of these, 124 were reinstated voluntarily by the employers as a result of the investigations, twenty-nine were ordered reinstated with back pay; twenty-one persons received a monetary settlement of their claims.

Figures as to strikes and lockouts show a total of 402 during the year 1943. These involved 218,404 workers and caused a time loss of 1,041,198 man-days.

Preliminary figures for the first three months of 1944 indicate that time lost in man-working days has been less than one-third of time lost in similar period in 1943.

Year (1st quarter)	Time lost per 1,000 work days
1944	·28 of 1 day
1943	·94 " " "
1942	·39 " " "
1941	·06 " " "
1940	·14 " " "

While the number of strikes and the number of workers involved in 1943 were both greater than in previous years, 310 of the 402 strikes lasted less than five days, while 150 were of one day's duration or less.

During the year 1943 the average number of days lost per worker on strike was 4·8 and in 1942 it was 3·9 days, as compared with 8·1 days in 1918 and 22·3 days in 1917.

During the 21 months previous to December 31, 1943, industrial relations officers of my department were called upon to mediate or give technical services in connection with 834 industrial disputes or controversial situations in which about 303,000 workers were involved. A great measure of success has resulted from this work of the department.

Members of the committee will be familiar with the recent order appointing the industrial production cooperation board. The order, it will be recalled, was sponsored by my colleague, the Minister of Munitions and Supply and myself. This order represents a recognition of the very real contribution which labour management production committees have made

in the past and a further expression of the government's policy of encouraging their growth in industry. Steady progress has been made in this work and it is confidently hoped that the newly created board will give a further impetus to this work.

P.C. 162 established this board which is composed of H. Carl Goldenberg, Director General of Economics, Department of Munitions and Supply, as Chairman; M. M. Maclean, Director of Industrial Relations, Department of Labour; H. J. Carmichael, Coordinator of Production and Chairman of the Production Board, Department of Munitions and Supply; and Paul Goulet, Associate Director of National Selective Service, Department of Labour.

The board is to be assisted in the performance of its duties by an advisory committee of representatives of labour organizations and employer associations, which is provided for in the order in council.

The members of the advisory committee are: Pat Conroy, Secretary of the Canadian Congress of Labour; Percy R. Bengough, President of the Trades and Labour Congress of Canada; J. A. Parent, General Organizer of the Canadian and Catholic Confederation of Labour; Willis George, representative of the Canadian Manufacturers' Association; J. Clark Reilly, Secretary-Manager of the Canadian Construction Association; Colonel J. A. W. LaBelle, representing employers; and D. B. Chant, Secretary-Engineer of the Ontario Pulp and Paper Manufacturers' Safety Association.

Mobilization for armed forces.—Under our man-power policy, it is our duty to provide the required number of men for the army, while at the same time supplying the necessary men and women for our war industries, farms, base metal mines, lumber camps, railways, inland and sea-going shipping, and in other spheres.

Additional men have been designated for military service since last year. These were men who were born in the year 1925, but they were not callable until they had reached the age of 18 years six months.

Men who were married on the 15th July, 1940 and were born in any of the years 1913-1916, inclusive, also are now callable.

In order to summarize the situation, the following are the age groups subject to military call-up:

(a) every man born in the years 1913-25, inclusive, with the proviso that men born in the year 1925 are not callable until they reach the age of 18 years six months;

(b) every man born in the years 1902-1912, inclusive, who, at July 15, 1940 was

(i) a widower without child or children; or

(ii) was a judicially separated man, with or without child or children; or

(iii) was an unmarried man; or

(iv) was a divorcee, with or without child or children; or

(v) who, since July 15, 1940, become divorced, whether or not he has a child or children; or

(vi) who, since July 15, 1940, has been judicially separated, whether or not he has a child or children; or

(vii) who, since July 15, 1940, became a widower without child or children.

However, we are not calling any man who has passed his thirty-eighth birthday as at present he is not acceptable for enrolment in the army.

We are still experiencing difficulty in locating men to whom call-up notices are sent but not complied with. Arrangements have been made for locating these men through various tracing agencies, provincial police and Royal Canadian Mounted Police. While each month sees a new group of delinquents, owing to call-ups being constantly forwarded, nevertheless we are steadily catching up with the backlog.

When a mobilization order which has been issued by the registrar is returned by the post office authorities marked "undelivered", or when a man does not comply with the order, the case is turned over to the Hooper-Holmes Bureau or to the Associated Credit Bureaus.

If he cannot be traced by them within a reasonable time, the case is then turned over to the R.C.M.P. However, the credit organizations continue their work and if ultimately successful, notification is immediately sent to the R.C.M.P.

Mr. DIEFENBAKER: How many men have been located by the credit bureaux?

Mr. MITCHELL: I have the exact figures somewhere, but at a guess I would say it was around 22,000.

Mr. DIEFENBAKER: That is, 22,000 have been located by the credit bureaux?

Mr. MITCHELL: I think so. That is an approximate figure; it is around that, more or less.

A fee of $2.50 is paid to the tracing organizations, but not to the R.C.M.P., for each case in which they successfully locate the man. No moneys are paid if they are unsuccessful.

Checking of records of enlistments in the armed forces with our records is exceedingly difficult in some instances. The date of birth is used as final evidence in identifying men. Owing to the zeal of our young men to enlist, many state their date of birth as prior to what it actually was. Older men do the reverse. We saw the same thing happen during the last war. It also is surprising the number who are confused regarding their birth date and who give varying dates. Conflicting dates necessitate a tremendous amount of painstaking study and search when there are many men of exactly thet same given and same surnames. As an instance, in one of our offices there are seventy-eight men of exactly the same surnames and same given names. Birth dates are the final check as addresses have been changed so frequently since national registration.

Everyone will agree that in a country the size of Canada, it is exceedingly difficult to locate every missing man. Many men join the forces of the United States—and of course that works the other way also; many men from the United States have joined the Canadian forces—and the merchant marine without notifying our offices. This adds to the difficulty.

Some time ago we arranged for a series of raids of public gathering places throughout the country whereby R.C.M.P., assisted by the local police, checked on the men present to see if they had complied with the requirements of the mobilization regulations. Here are some of the facts about these raids as at March 31, 1944:—

Number of places visited, 3,775.

Persons checked, 63,506.

Persons charged under mobilization regulations, 373, or less than one per cent.

Number charged under national registration regulations, 271.

Number of deserters apprehended, 145.

Number of persons found not gainfully employed and referred for employment to national selective service, 1,008.

The R.C.M.P. and civilian police authorities are to be commended on the manner in which they have applied themselves in apprehending delinquents. Many stories could be told by police authorities of long, arduous trips that were made under adverse conditions by snowmobile and dog sleighs in this work.

The regulations were recently amended whereby all employers in Canada were required to make sure that their employees in the designated age classes were in possession of some document to show that they were in good standing under mobilization regulations. Literature explaining the reasons for this step was sent to all employers on record.

The object of this action was to bring to notice the case of any man who had been overlooked or who had not complied with mobilization orders. It was carefully explained to employers that they should only report cases in which there was doubt. Employers were given a period of two months to May 1 in which to undertake this check.

The number of men on whom reports have been made to April 15, 1944, was 3,896. Of these 2,334 were in good standing, 411 were not in good standing, and 1,151 have still to be reviewed owing to men not having notified change of address so that the file is still in the division from which the man removed.

Any man engaged in agriculture, on whom a report is rendered, is granted postponement, provided investigation proves this.

With regard to university students, recently we set up a university advisory board comprised of the heads of universities. The board convened in January and deliberated on the question of what course would be essential to the prosecution of the war and in the national interest. As a result, recommendations have been put into effect whereby students in selected courses would be given postponement in order that they might complete their course to make their contribution to our war effort. When a student fails to reach the required standard his postponement order is cancelled and if medically fit he is enrolled in the army. With the assistance of the university advisory board we intend to weed out those students who fail to attain the required standard.

Since last July, a reciprocal arrangement has been entered into between the United States and Canadian authorities whereby nationals of either country, who are resident for a period of three months in the other country, may be called for military service. They have the privilege of electing to serve in the forces of the country of their residence or of the country of which they are nationals.

Considerable uncertainty still seems to exist regarding the method of call-up. Instructions are issued to the registrar in each division to call as many men as possible to meet the requirements of the army. Even with the utmost effort, it has been increasingly difficult for some time to obtain the number of men required by the Department of National Defence each month. I am saying this to disabuse the minds of any members that in certain divisions where enlistments are high,

particular pressure is exercised to increase the number of enrolments. This is not the case. I previously dealt with this subject at greater length on page 3944 of *Hansard* of June 23, 1943.

We are now finding it more difficult to fill the army requisitions. As the war progresses it is evident that we will soon have to rely largely upon those at present deferred and the young men coming of age.

War industry has passed its peak and it is reasonable to assume that many young men whom the demands of an expanding war production required in industry and who were therefore given temporary deferment will become available for the armed services.

The proportion of fit men in the higher age classes is becoming increasingly smaller. This entails a greater effort for smaller returns.

There is another point I would like to mention. Recently my colleague, the Minister of National Defence (army), made the statement in the house that he would require 60,000 men in the year commencing the first of April. In further correspondence with me, he has stressed the absolute necessity of obtaining these men, particularly bearing in mind the requirements of operations which are in prospect. In the last six months, September 1943 to February 1944, there actually have been more than 5,000 men per month who were enlisted and enrolled in the army alone. However, the monthly average has been decreasing, and at times enlistments and enrolments have fallen below the numbers required by the army. For this reason I think it is only fair to state in the house that further postponements in industry generally will have to be curtailed. This policy should not adversely affect industry; for, as I have already stated, its maximum demand has been passed. I mention this in order that all members will realize that the retention of young men of military age and fitness in industry can only be justified under very exceptional circumstances.

Previously when a man received an order—medical examination, he proceeded to a physician of his own choice. In September last this method was changed, in order to have as many examinations as possible conducted at the reception centres by army doctors and in more remote areas by designated panels of doctors. This was also with the object of lightening the burden on doctors generally and securing more uniform examinations.

Men who reside within a radius of a reception centre, which would enable them normally to proceed from their homes, undergo the examination, and return to their homes within forty-eight hours, are instructed to report to the reception centre. This takes care of sixty per cent of the medical examinations.

A similar practice holds for panels of physicians, namely, that the limitation of forty-eight hours is the guiding factor. Over six hundred doctors undertake such work. There are still men in more isolated areas who report to doctors of their own choice.

Under the call-up system and as provided by P.C. 9041 of November 30, 1943, we are now selecting men as guards for service in penitentiaries.

Mr. DIEFENBAKER: The minister has stated that in recent months there have been occasions on which the number of men requisitioned by the Minister of National Defence have not been supplied. Can he give us the figures for the months to which he has reference, and when did that condition begin?

Mr. MITCHELL: I can get those figures for my hon. friend, but I think he will appreciate that when you are operating machinery of the magnitude I am, you cannot remember all these little details. They are beyond the apprehension of any human being. I shall be glad to make a note and get those figures at the earliest opportunity.

I would like to refer to our industrial mobilization survey plan. In summary, the survey plan provides:—

1. A proper allocation of men as between the needs of the armed services and essential industry.

2. A means of quick withdrawal of men from a specific plant or retention whichever may be most in the national interest.

3. More efficient handling of men in event of a lay-off, allocating those who are medically fit and subject to call to the army—assisting in transferring those whose skill or experience can best serve the national interest to another high priority industry.

4. Acquaints the employment service with the needs of a plant or industry and sets in motion machinery necessary to assist the employer.

5. Provides an employer with definite knowledge as to the time his employees will be called for military service and allows him time for proper planning.

6. Presents factual evidence as to why any man or group of men are granted postponement of military training in any plant or industry.

7. Gives mobilization boards information helpful in deciding on application for postponement of military training to individuals or groups in any given plant or industry.

8. Brings to the attention of the divisional registrars those men who may be delinquent or who have not notified their registrar of any change of address and for whom they are looking.

9. Indicates to employment service any surplus labour.

10. It has the approval and cooperation of both management and labour.

Conscientious objectors. Up to March 31, 1944, mobilization boards had given deferments to 8,932 conscientious objectors. Subsequently, 245 offered their services to the armed forces and were accepted as combatant soldiers or air force personnel. One hundred and twenty-two others have enlisted as non-combatant soldiers in the medical and dental corps.

The great majority of conscientious objectors have been quite willing to undertake alternative service work as directed. As at March 31, 1944, some 3,188 have been placed in agriculture under alternative service employment agreements, and 1,295 contracted in non-agricultural employment. A number have been placed in hospitals as orderlies or have been sent to employment where conditions have made it difficult for employment offices to supply workers.

Wartime labour relations regulations. Recently I tabled in this house order in council P. C. 1003, known as the wartime labour relations regulations. These regulations will, I hope, mark a milestone in the history of labour legislation in Canada and contribute to a reduction of time lost through industrial disputes and to sound industrial relations generally.

It is very gratifying to note the warm reception the order has received both from representatives of the employers and of the workers and I should like to express my appreciation of the cooperation of the provinces and the employers' organizations and trade unions.

When I addressed the committee last year I took the opportunity to point out the extent to which labour representatives were serving on various boards and committees of my department and to record my appreciation of the very fine contribution which labour is making in this way. This year I wish to repeat my words of appreciation, and it will interest the committee to know that to-day labour has 352 representatives serving on 125 boards and committees of the Department of Labour, including the Unemployment Insurance Commission. This does not, of course, give the whole picture, for labour representatives are serving on many other government bodies. It does, however, suggest a segment of the contribution which labour is making to assist the government.

The contribution of employers and other citizens in regard to these boards and committees is equally great and deeply appreciated. The manner in which men and women from all walks of life have given voluntary service in this way is one of the outstanding features of the work of the Labour department.

Current situation and future problems. In conclusion I should like to say something of the labour supply situation at the moment and suggest some of the problems which we expect to face in the coming months.

Our man-pwer statistics show that the peak of labour demand for 1943 occurred early in September with 219,000 needed. The labour requirements of A and B priority industries alone (that is of war industries and essential civilian industries) were in excess of 160,000.

During the latter part of 1943 the situation improved considerably from the viewpoint of demand, due partly, of course, to seasonal factors, but also to two causes, namely, a levelling off process in war production, and the fact that our placement plans had shown definite results.

In December, 1943, gainfully employed persons numbered an all time high of 4,288,000.

There are still some pockets of labour demand. At March 30 last, labour demand for all industries (not including logging) totalled 92,300, while there were 35,000 applicants for employment who, on that date, had not been referred to jobs.

It is difficult to predict with any degree of certainty the developments which will occur in the labour market situation during the next few months. However, it is possible to make some general observations.

It may be that further cut-backs in war production will result in other lay-offs over the next few months; thus small pockets of temporary unemployment may develop from time to time. However, it should be possible to place most of these men with little delay. There will still be numerous shortages in certain high priority industries.

It is possible that some materials hitherto reserved for war production will be released for the manufacture of essential consumers' goods and so the consequent expansion in civilian production should absorb many workers of both sexes.

Men who were given military deferments because of the essential nature of their work may be made available for military service.

To sum up:

The major task of the selective service system over the next few months will be:

First, to provide the required men for the armed services; second, to meet the labour needs of agriculture; third, to place in employment men discharged from the armed forces; fourth, to meet, as they develop, the urgent needs of certain key industries; fifth, to place men laid off as a result of changes in munition production schedules as quickly and efficiently as possible.

Over the next year it appears that the general shortage of manpower will continue, yet there will be in certain localities at certain periods areas of local, though temporary, unemployment. This is inevitable in a changing war economy.

I am confident, Mr. Chairman, that whatever problems are forthcoming, my department is equipped to meet them efficiently.

I should like before I take my seat to express my appreciation of the cooperation which the Department of Labour has received in the past year. Organized labour, employers, the provinces, particularly the departments of agriculture, the mobilization board, the various advisory boards, all have been of great assistance.

The very large staff of the department has worked hard and faithfully under considerable pressure.

I now ask that the following statistical statements be reproduced in *Hansard*:

List of Statistical Tables

Table number	
	Manpower
1	Canada—Estimated man-power distribution—December 1, 1943.
	Employment Operations of Employment and Selective Service Offices
2	Permits issued and separations notified under selective service regulations, January 1-December 30, 1943.
3	Jobs available and placements effected by employment offices, January 1-December 30, 1943.
	Wage Trends
4	Total salaries and wages, index numbers of employment and index numbers of wage rates in Canada for the period 1920-1943.
	N.S.S. Mobilization Regulations
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7	Distribution of man-power in the designated age classes by administrative divisions as at March 31, 1944.
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8	Number and percentage of postponements granted and refused by administrative divisions as at March 31, 1944.
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11	Number and percentage classified in each medical category on first medical examination as at March 31, 1944.

[Mr. Mitchell.]

DEPARTMENT OF LABOUR, OTTAWA
Research and Statistics Branch

TABLE I

CANADA—ESTIMATED MAN-POWER DISTRIBUTION

14 Years and Over
(In Thousands)

March 23, 1944
SUBJECT TO REVISION

Population Class	August 31, 1939				June 2, 1941				January 30, 1943				September 30, 1943				December 1, 1943	
	Males	Females	Total		Males	Females	Total		Males	Females	Total		Males	Females	Total		Total	
				%				%				%				%		%
TOTAL POPULATION, 14 YEARS OF AGE AND OVER	4,289	4,026	8,315	100·0	4,385	4,131	8,516	100·0	4,480	4,240	8,720	100·0	4,522	4,278	8,800	100·0	8,820	100·0
I. Total in Armed Forces or Gainfully Occupied	3,102	638	3,740	45·0	3,574	753	4,327	50·8	3,875	1,005	4,880	56·0	3,955	1,075	5,030	57·1	5,057	57·3
A. Armed Forces (i)	10	.....	10	0·1	305	1	306	3·6	625	20	645	7·4	718	32	750	8·5	769	8·7
B. Gainfully Occupied—Total (ii)	3,092	638	3,730	44·9	3,269	752	4,021	47·2	3,250	985	4,235	48·6	3,237	1,043	4,280	48·6	4,288	48·6
1. Non Agricultural industry—Total	1,829	638	2,464	29·7	2,213	752	2,965	34·8	2,315	985	3,300	37·9	2,247	1,043	3,290	37·3	3,353	38·0
(a) Wage and salary workers in war industry (iii)	.....	.....	.....	.....	420	40	460	5·4	820	216	1,036	11·9	885	235	1,120	12·7	1,104	12·5
(b) Wage and salary workers in civilian industry	1,452	522	1,974	23·8	1,428	596	2,024	23·8	1,195	654	1,849	21·2	1,062	693	1,755	19·9	1,834	20·8
(c) Employers, own accounts and no pays (iv)	374	116	490	5·9	365	116	481	5·6	300	115	415	4·8	300	115	415	4·7	415	4·7
2. Agriculture—males only (v)	1,266	.....	1,266	15·2	1,056	.....	1,056	12·4	935	.....	935	10·7	990	.....	990	11·3	935	10·6
II. Farm Women, 14-64 years of age (vi)	.....	775	775	9·3	.....	775	775	9·1	.....	765	765	8·8	.....	760	760	8·7	760	8·6
III. Students	311	323	634	7·6	293	304	597	7·0	225	275	500	5·7	210	265	475	5·4	475	5·4
IV. Unemployed (vii)	876	2,290	3,166	38·1	170	91	261	3·1	40	25	65	0·7	20	25	45	0·5	50	0·6
V. All others—Includes homemakers not on farms					348	2,208	2,556	30·0	340	2,170	2,501	28·8	337	2,153	2,490	28·3	2,478	28·1

NOTE.—The above estimates are based on the most recent information obtainable from the Dominion Bureau of Statistics and other official sources. In some cases (such as agricultural males, farm women, and employers, own accounts and no pays), they are subject to a possibility of considerable error, as little statistical information is available.

(i) Includes prisoners of war and persons missing but still on strength. Excludes persons enlisted but on leave and engaged in civilian occupations.
(ii) Does not include women gainfully occupied on farms or in farm homes, who are icnluded in item 3. Does not include wage and salary workers who are temporarily unemployed owing to "No job" or "Lay-off".
(iii) Includes employment on direct and indirect war production and construction, and the war content of employment in ancillary industries.
(iv) "Own accounts" are persons who carry on their business without assistance of employees. "No pays" are mainly family workers receiving no fixed money payment.
(v) The variation in employment during 1943 is due to seasonal factors.
(vi) Since it is impossible to measure statistically the amount of farm work done by women, all women residing on farms are here included except students, women 65 years of age and over and those gainfully occupied outside the farm.
(vii) In 1943, the number of unemployed was accounted for almost entirely by persons temporarily out of work while moving from one job to another.

Table 2

EMPLOYMENT OPERATIONS OF EMPLOYMENT AND SELECTIVE SERVICE OFFICES

Permits Issued under the N.S.S. Civilian Regulations, January 1 to December 30, 1943

1. Permits issued	Males	Females	Total
*(a) Temporary permits to leave agriculture and to accept other employment	96,150	2,373	98,523
(b) Regular permits to accept employment	1,936,067	1,100,657	3,036,724
(c) Total permits to accept employment	2,032,217	1,103,030	3,135,247

* Virtually all such permits are cancelled or expire, and holders returned to agriculture, on the resumption of spring farming operations.

TABLE 3

EMPLOYMENT OPERATIONS OF EMPLOYMENT AND SELECTIVE SERVICE OFFICES

Jobs Available and Placements Effected by Local Employment Offices, January 1 to December 30, 1943

Province		Jobs available during year (1)	Placements effected during year (2)
Prince Edward Island	Male	3,818	4,154
	Female	2,006	2,054
	Total	5,824	6,208*
Nova Scotia	Male	58,291	49,881
	Female	26,617	25,281
	Total	84,908	75,162
New Brunswick	Male	41,149	37,549
	Female	17,661	16,892
	Total	58,810	54,441
Quebec	Male	412,843	377,569
	Female	167,715	152,276
	Total	580,558	529,845
Ontario	Male	508,518	464,849
	Female	331,843	312,475
	Total	840,361	777,324
Manitoba	Male	55,993	56,674
	Female	49,805	49,221
	Total	105,798	105,895*
Saskatchewan	Male	32,492	32,265
	Female	23,579	23,802
	Total	56,071	56,067

(1) Employers' orders unfilled as at January 1, 1943, plus orders notified by employers during 1943, less orders cancelled during 1943.

(2) Number of persons who have been placed in jobs by Employment Offices during the year.

* Placements exceed jobs available because they include workers transferred out of the province and placed in some other province.

TABLE 3—*Conc.*

EMPLOYMENT OPERATIONS OF EMPLOYMENT AND SELECTIVE SERVICE OFFICES

Jobs Available and Placements Effected by Local Employment Offices, January 1 to December 30, 1943

Province		Jobs available during year (1)	Placements effected during year (2)
Alberta	Male	67,362	64,839
	Female	41,760	41,335
	Total	109,122	106,174
British Columbia	Male	166,877	152,120
	Female	83,587	80,790
	Total	250,464	232,910
Canada	Male	1,347,343	1,239,900
	Female	744,573	704,126
	Total	2,091,916	1,944,026

(1) Employers' orders unfilled as at January 1, 1943, plus orders notified by employers during 1943, less orders cancelled during 1943.

(2) Number of persons who have been placed in jobs by Employment Offices during the year.

TABLE 4

WAGE TRENDS

Total Salaries and Wages, Index Numbers of Employment and Index Numbers of Wage Rates In Canada for the Period 1920-1943

	Salaries and Wages (1)	Index Numbers employment (1) 1926=100	Index numbers wage rates (2) 1935-39—100
1920	$2,477,573,000	.....	112·7
1930	2,625,472,000	113·4	105·2
1931	2,200,236,000	102·5	101·7
1932	1,910,808,000	87·5	94·5
1933	1,740,589,000	83·4	89·6
1934	1,870,685,000	96·0	90·5
1935	2,016,186,000	99·4	93·1
1936	2,162,216,000	103·7	94·8
1937	2,432,219,000	114·1	101·8
1938	2,454,348,000	111·8	104·9
1939	2,554,519,000	113·9	105·3
1940	2,881,980,000	124·2	108·4
1941	3,489,399,000	152·3	119·2
1942	4,197,051,000	173·7	127·5
1943	4,700,000,000 (3)	190·6 (4)	(not available)

(1) From Dominion Bureau of Statistics. The wage and salary figures do not include payments to the armed forces.

(2) From Department of Labour. The figures include cost of living bonus payments.

(3) Preliminary estimate made in the Department of Labour by applying the Bureau of Statistics index of aggregate payrolls to the 1942 total wage and salary figures.

(4) December, 1943. The yearly average was 184·1.

Note.—The index numbers of wage rates apply to wage rates only, not salaries.

The changes shown by the index number of wage rates are not necessarily reflected in the total wages and salaries earned as total earnings are affected also by the changes in the size of the working force (employment index) and by the shift from "short time" in depression years to "overtime" in boom years.

TABLE 7

NATIONAL SELECTIVE SERVICE MOBILIZATION REGULATIONS

Manpower Distribution

Distribution of Manpower in the Designated Age Classes by Administrative Divisions—March 31, 1944

—	London	Toronto	Kingston	Port Arthur	Montreal	Quebec	Halifax	Saint John	Charlottetown	Winnipeg	Vancouver	Regina	Edmonton	Total
Armed Forces	52,206	159,168	47,255	12,211	84,001	26,863	38,617	30,038	6,338	54,995	55,210	60,992	54,338	682,232
Men applying and on Postponement—Fit Men, i.e., "A" Category only	14,747	16,369	16,679	1,532	16,483	9,589	5,663	8,645	1,982	12,385	10,272	19,495	19,730	153,611
Unfit Men, i.e., "B.C.D.E." Category	7,858	20,546	4,648	.....	30,215	27,330	7,177	3,541	1,059	6,023	6,991	14,836	8,273	138,497
Unfit for Front Line Combatant Duty, i.e., Active Service, and includes "B", "C", "D", "E" Categories and Rejections on Enlistment	27,180	78,428	28,230	7,228	111,563	41,573	28,340	18,170	3,600	26,971	31,688	24,706	28,508	456,185
Not Yet Sent Order—Military Training	619	3,241	276	108	9,002	1,876	353	1,465	47	31	1,199	1,497	880	20,594
Not Yet Sent Order—Medical Examination	501	1,442	119	186	26,509	13,461	19	110	27	115	244	3,845	.....	46,578
Sent Orders—Time Limit Not Expired	2,148	2,199	563	76	8,105	2,587	1,042	905	8	567	329	620	908	20,057
Not yet 18½ years of age but born in 1925	1,576	5,528	1,628	158	6,677	2,260	1,696	1,240	244	1,577	1,410	2,774	1,965	28,733
Not Available, i.e., Outside Canada, Not Acceptable, Deceased, in Gaol,	1,634	4,956	1,531	826	4,002	2,801	1,737	1,033	143	2,600	11,508	1,459	3,096	37,326
Statutory Exemptions, i.e., Clergy, Police, Enemy Alies, etc	704	4,726	1,302	1,700	6,818	1,351	368	357	94	750	1,565	1,954	2,714	24,463
Over Age*	.....	1,896	.....	648	3,349	688	.....	.....	.....	1,576	.....	70	.....	8,227
Not accounted for	1,794	7,887	733	324	18,923	6,252	1,166	889	33	1,017	5,063	3,235	1,685	49,001†
	111,007	306,386	103,024	24,997	325,647	136,631	86,178	66,393	13,575	108,607	125,479	135,483	122,097	1,665,504

*Including men who have passed their 38th birthday.

†This figure compared with 67,674 not accounted for as at May 15, 1943, and indicates a reduction of 18,673. This reduction has been accomplished while dealing with 677,009 additional men in the period since May 15, 1943. Out of a total of 1,665,504 only 49,001, or approx. 3% are now not accounted for.

TABLE 8

NATIONAL SELECTIVE SERVICE MOBILIZATION REGULATIONS

POSTPONEMENTS

Number and Percentage of Postponements Granted and Refused by Administrative Divisions, March 31, 1944

Administrative Divisions	Postponements granted	Percentage granted	Postponements refused	Percentage refused
London, Ont.	51,688	98·0%	1,073	2·0%
Toronto, Ont.	75,390	82·0%	16,541	18·0%
Kingston, Ont.	32,804	94·1%	2,055	5·9%
Port Arthur, Ont.	3,559	91·0%	350	9·0%
Montreal, P.Q.	70,768	85·5%	12,048	14·5%
Quebec, P.Q.	40,900	79·0%	10,908	21·0%
Halifax, N.S.	16,825	83·2%	3,399	16·8%
Saint John, N.B.	13,935	95·0%	743	5·0%
Charlottetown, P.E.I.	3,921	87·0%	588	13·0%
Winnipeg, Man.	25,993	88·0%	3,531	12·0%
Vancouver, B.C.	31,368	86·4%	4,953	13·6%
Regina, Sask.	37,605	80·7%	8,966	19·3%
Edmonton, Alta.	32,347	96·9%	1,028	3·1%
Canada	437,103	86·8%	66,183	13·2%

TABLE 9

NATIONAL SELECTIVE SERVICE MOBILIZATION REGULATIONS

POSTPONEMENTS

Number and Percentage of Applications for Postponement for Agricultural Workers Granted and Refused

	No. of applications dealt with*	No. granted	Percentage granted	No. refused	Percentage refused	Total still in effect
March 20, 1941-May 14, 1942..	20,887	15,996	76·6%	4,891	23·4%	145,529
May 15, 1942-March 31, 1944..	224,556	210,519	93·7%	14,037	6·3%	

* Including those who applied more than once.

TABLE 10

NATIONAL SELECTIVE SERVICE MOBILIZATION REGULATIONS

POSTPONEMENTS

Postponements in Effect, by Classification, as at March 31, 1944

Administrative Division	Farming	Fishing	Lumbering	Mining	Essential Ind's and Services	Students	Conscientious Objectors	Merchant Marine	Compassionate	All Others	Total
London, Ont.	15,510	56	22	1	4,221	629	1,295	178	47	686	22,645
Toronto, Ont.	9,230	90	241	41	17,979	3,836	895	512	912	1,339	33,084
Kingston, Ont.	14,496	30	569	3	2,756	715	25	56	404	2,021	21,075
Port Arthur, Ont.	416	31	63	1	611	9	1	27	.....	162	1,321
Montreal, P.Q.	19,040	12	170	9	5,431	3,801	15	119	292	4,183	33,072
Quebec. P.Q.	17,269	317	122	8	4,759	1,729	.....	59	.....	762	25,025
Halifax, N.S.	3,899	503	433	447	4,142	749	36	1,061	121	1,266	12,657
Saint John, N.B.	5,846	409	879	279	1,945	349	3	149	148	1,048	11,055
Charlottetown, P.E.I.	2,625	40	2	.....	39	91	2	33	12	191	3,035
Winnipeg, Man.	11,468	43	36	195	1,233	220	2,664	45	61	1,275	17,240
Vancouver, B.C.	2,241	732	2,455	590	6,911	1,146	616	463	376	1,693	17,243
Regina, Sask.	24,378	21	143	95	337	680	1,685	14	7	1,205	28,565
Edmonton, Alta.	19,111	13	247	893	1,977	543	1,048	13	54	709	24,608
Canada	145,529	2,317	5,382	2,562	52,341	14,497	8,285	2,729	2,443	16,540	252,625

TABLE 11

NATIONAL SELECTIVE SERVICE MOBILIZATION REGULATIONS

MEDICAL CATEGORIES

Number and Percentage Classified in each Medical Category on First Medical Examination as at March 31, 1944

Divisions	A	%	B	%	C	%	D	%	E	%	Total
London, Ont.	32,539	49·0	8,048	12·1	8,627	13·0	1,150	1·7	16,088	24·2	66,452
Toronto, Ont.	94,926	49·6	28,162	14·7	24,547	12·8	3,460	1·8	40,429	21·1	191,524
Kingston, Ont.	31,680	49·2	7,071	11·0	7,325	11·4	742	1·2	17,513	27·2	64,331
Port Arthur, Ont.	6,510	52·8	1,353	11·0	1,459	11·8	128	1·1	2,874	23·3	12,324
Montreal, P.Q.	63,795	30·0	32,151	15·1	43,655	20·7	7,592	3·6	65,064	30·6	212,257
Quebec, P.Q.	28,700	29·3	16,396	16·7	18,497	19·0	3,402	3·5	30,809	31·5	97,804
Halifax, N.S.	26,013	45·0	8,375	14·5	7,547	13·0	1,542	2·7	14,341	24·8	57,818
Saint John, N.B.	21,667	48·8	5,374	12·1	4,448	10·0	1,971	4·5	10,924	24·6	44,384
Charlottetown, P.E.I.	4,699	51·9	927	10·2	982	10·9	93	1·1	2,345	25·9	9,046
Winnipeg, Man.	31,056	48·6	7,156	11·2	6,362	10·0	1,267	2·0	18,033	28·2	63,874
Vancouver, B.C.	38,478	49·7	10,097	13·0	8,798	11·4	1,888	2·5	18,108	23·4	77,369
Regina, Sask.	48,368	55·5	12,132	13·9	9,456	10·8	4,057	4·7	13,172	15·1	87,185
Edmonton, Alta.	45,196	56·1	10,341	12·8	7,443	9·2	2,640	3·4	14,900	18·5	80,520
Canada	473,627	44·5	147,583	13·9	149,146	14·0	29,932	2·8	264,600	24·8	1,064,888

Mr. MASSEY: Mr. Chairman, as I rise to address the committee I would crave through you the indulgence of hon. members in that I have been back in Canada but a very short time on temporary duty and have been fully occupied; I am to return almost immediately to my duties overseas. Accordingly, I have had and will have little opportunity to be in the chamber, and thus the remarks which I purpose to address to the committee may not be exactly under the item which is at present before the committee. I crave indulgence if I seem to stray to some extent from what otherwise would be in order.

It is a matter of years since I have had the privilege of speaking in this chamber, and during the last fifteen months of those years it has been my rare and distinct privilege to have been overseas on duty in the United Kingdom. Therefore my view of the deliberations of this house has perforce been a long-range view and my knowledge of its proceedings vicarious. On the other hand, the experience which has been mine as a serving officer both in Canada and overseas since the early beginning of this war has been nothing short of priceless, and I have been able to observe at first hand what has been accomplished in the service to which I am so proud to be attached, the Royal Canadian Air Force.

As I have said, I am in Canada but a short time, and it might seem a presumption on my part to take an active and direct part in the domestic deliberations of this house. Therefore in what I have to say to-day I shall speak from an overseas point of view.

Hon. members will realize as I proceed that my whole purpose in taking the time of the committee this afternoon is from a purely constructive point of view, and what I have to say is said earnestly and will, I hope, be for the benefit of the Canadian sailor, soldier, and airman. If I particularly stress the airman of that noble trio, it is because I frankly admit that I am a prejudiced witness on his behalf, a position which I know will not be misunderstood.

Those who have been in Canada in recent years and more particularly in recent months will perhaps not recognize as do those of us who have been far away from it, how much the domestic scene has changed. To return home after over a year's absence is to realize something which is, to say the least, disquieting. In the last three or four weeks I have seen, I frankly admit, only three Canadian cities, Montreal, Ottawa and Toronto, but what I have seen in those cities is to me as alarming as it is tragic. If I may generalize from these local observations I would say that Canada at the moment is not so much a nation motivated by a full-out war effort, but is on the other hand, it would seem, in many ways a nation enjoying the greatest prosperity in its history. These days appear to me to be as gilded and as giddy as those of 1929. I regret to say it, but I say frankly that I am not particularly impressed, in the time I have been in this chamber on a few occasions, with its atmosphere. There seems to me to be an unreality about it; there seems to be a lack of appreciation in the fullest sense that the finest of Canada's young manhood is daily dying that those at home may live under British freedom. I hazard the statement that there are times when visitors may sit in these galleries for a whole sitting and then leave the house, hardly realizing there is a war on.

To have lived in a country where every—and I say "every"—able-bodied man or woman is contributing fully under an organized and well regulated selective service to what is in fact as well as in name an all-out war effort is to realize what an all-out war effort is. In the United Kingdom one does not see able-bodied men holding down jobs that could be filled as effectively by women. Those who are not in uniform are productively employed in some essential jobs, and after working hours may be, for several nights a week, out literally all night on A.R.P. duty, fire watching, whatever it may be, back again on the job in the morning, and one or two other evenings in the week and at the week-ends out at manœuvres with the local home guard. How fully do I recognize that there are in this country tens of thousands of homes from which men have gone to duty in the armed forces, many of which homes are to-day sorrowing under the greatest tragedy that could have befallen them. But these homes are not Canada as a whole as I see it, and one cannot but feel that in the atmosphere which prevails in parts of the country which I have seen since I came back there is almost a carnival spirit, prematurely anticipating the victory which indubitably will come but which has not yet been achieved. One almost feels that the war has brought to Canada in 1944, as I have said, a period of prosperity rather than a period of grim crisis.

During the last three or four weeks I have had the opportunity of sitting in this chamber but a few times and briefly. It has been a very sobering experience. I have not come back to Canada, as, I regret to say one who had the opportunity of meeting the enemy directly in the air or on the land or on the

sea. That privilege is denied me because, I am told, I am too old. My opinion of that point of view I cannot express in parliamentary language, Mr. Chairman. On the other hand, I have been in London recently and through most of England; I have returned to Canada by troopship, and therefore I have had the opportunity of seeing some activity. To see the people of England in general and the people of London in particular under the stress of the February raids on London—which incidentally were not particularly amusing—to live under the rigid rationing of the United Kingdom, to feel one's way through the blackout, is to impress upon one what might be called the grim unreality of the atmosphere of this house. Across this country from the Atlantic to the Pacific this week, plastered on billboards, spread throughout the press, and echoed on the radio, is the slogan of the sixth victory loan, "Put Victory First". It might not be an unworthy suggestion to propose that that slogan be hung in this chamber.

I hold in my hand a copy of *Hansard* dated Tuesday, April 25, 1944. It records a debate about as far removed from the war as the sunny sands of Palm Beach are from the bloody sands of Anzio. I should like to ask hon. members if they would care to have that *Hansard* circulated among our armed forces on active duty to indicate to them what parliament is doing back home to back them up. There is the record that the proceedings of an entire day were devoted to wrangling on a motion to accept the report of a standing committee to amend the rules governing this house. I wonder what would be the effect upon the morale of those who are in the front line of this war if this debate had been broadcast to them. It was a shocking experience, particularly just at the beginning of the sixth victory loan, to have such a fatuous performance as that which was conducted in this chamber last Tuesday.

This, Mr. Chairman, is the seat of government. It is from here that stirring leadership should come. If there is a strange unreality about the conduct of this house that atmosphere will permeate the whole of Canada. On the other hand, if the government sets the pace it should, equally that atmosphere will permeate the whole of Canada. Therefore there rests that intangible and yet fully tangible responsibility on the shoulders of the government of Canada to provide that realistic, active leadership which is described in the slogan of the sixth victory loan, "Put Victory First." This is the type of leadership that this government must give. It was never more required than at this moment when we are on the threshold of the greatest and grimmest adventure in which this country has ever had a part. D-day will be news in Canada. D-day will be a stark reality to the men in the front line.

I hold in my hand three periodicals, one of them Canadian, *Macleans,* and two of them American, *Life* and *Fortune*. I suggest to hon. members that they look through such publications, at the advertising pages. In their pages are advertisements designed to prime the public for purchases after victory. One would think, to glance through some of these pages, that victory was assured, that it was at hand to-morrow. To hear and overhear some conversations, one would be led to believe that all we have to do to win the war is to step ashore from the barges and walk to Berlin through a Germany flattened by the air force.

We must realize that no beachhead can possibly be established on the steps of the European fortress without the payment of a ghastly price. The road to Berlin can be no other than a bloody road, but that is the price we are going to have to pay before victory is ours. As I see it at the moment, Canada is all tee-ed up for a sickening shock. Some day, soon possibly, the unreality of this present era of prosperity will be brought to a sudden end by the sacrifice which this country will then realize it is making.

I do not wish to be lugubrious or morbid, but I should like this house, in its deliberations and in its plans, to think soberly upon the brave homes to which telegrams will be sent, telegrams which commence with the words, "Regret deeply...". I can say nothing more earnestly and sincerely in this chamber than I say this: In the name of every Canadian lad in the armed forces, let this house away with petty politics, away with useless and fatuous wrangling; and may this government rouse itself to the full and active responsibility of the leadership which it should give.

Never forget for a moment that this war is not won until the armistice is signed. Never forget for a moment that the hun is not defeated, and the Jap does not cease to be a deadly menace, until the last shot is fired. Never forget for a moment that if we relax, if we take on a cock-sureness, if we assume a complacency, if we assume that victory is already ours, then the war can yet be lost.

I have said what I have said, Mr. Chairman, as strongly as I have said it, because of the impression that has been made upon me in recent days in the few times I have sat where I now stand. I say it because in some ways it is the most singularly important single thing I can say in the brief time it is my privilege to

speak here. Not for a moment in anything I have said however, have I overlooked what this country has done to date. I have it very clearly in mind. I have seen at first hand the contribution it has made and is making. No more sincere compliment can be paid to the skill of the designers, the craftsmanship of the workmen, and the acumen of the business executives than is paid daily by the efficiency, the effectiveness, and the quantity on hand of the war materials which we have produced and are producing in such vast abundance. Yes, Canada's contribution in war materials is vast, magnificently effective, as our troops well know. Any Canadian who goes to the United Kingdom or elsewhere to-day may look with pride on Canada's contribution in materials to this war.

I do not profess to know directly the activities of the men in the Royal Canadian Navy or of the Canadian Army, but I know something about the men and their activities of the Royal Canadian Air Force. But for our sailors, let me say this. My station in England is adjacent to a very large naval training station, and consequently many naval officers are now numbered among my friends. Notoriously, the Royal Navy is the silent service, and any praise from a well-salt-watered naval officer is praise indeed. Repeatedly my heart has been warmed by those who have seen action in the battle of the Atlantic in particular, and in other waters in general, where they have met the Royal Canadian Navy and now speak so magnificently of its work. It was indeed a thrill a rare thrill, on the voyage home the other day to see Canadian naval vessels on duty in the Atlantic and to feel that those ships which we saw were just a few of the many of our splendid, efficient and very new Royal Canadian Navy.

Then, too, as a result of other contacts I have made, having talked to those who have sat side by side with our lads in Sicily and in Italy, and heard the words of praise that have been spoken to me sincerely, I know they are words to make any Canadian swell with pride.

Canada has every reason to be proud of her fighting troops.

And then our airmen. Groundcrew as well as aircrew, inferior to none, superior to most, have set up in this war a record which is in the best traditions, built up by that mighty group of the last war who flew their "bird-cages" with gallantry and valour. The joy and the thrill of the old dog-fight have gone. Most of the sorties to-day are a pretty cold-blooded and lengthy proposition requiring the greatest courage, endurance, ability, skill and sheer guts. Youngsters of nineteen and twenty are captaining huge aircraft with a crew of seven and a load sometimes of eight tons of bombs, flying through flak, fighter opposition and "soup" to the target for the night, dropping their bombs with devastating precision. No nobler pages have been or are being written in the annals that record deeds of heroism, valour and courage than are being written every day and every night by the lads of the Royal Canadian Air Force.

And so I say to the government, these sailors, these soldiers and these airmen are your responsibility. They have volunteered to go. You have trained them to go. They have gone. The best is not too good for them; the least that we can do for them is the most that we can do. When I speak of the lads overseas I think too of the lads who have volunteered for overseas duty and yet who to-day are still in training stations, headquarters or other units in Canada. It is trite to say that one in uniform goes wherever he is sent and does what he is told. It is equally true. But do not criticize the volunteer in Canada who is not sent overseas. The chances are that he has repeatedly requested an overseas posting and it has not come through for him yet. I say in the minister's presence that it took me three years to get there.

Let me say a word for the ground officers and men of our air force and those airmen of our services who are denied the privilege of operations by their medical category, their age, or whatever it may be. Apparently it is altogether too easy for some to criticize those of us who are "chair-borne" and who are only permitted to fly a desk. One sometimes hears wholly unjustified and disparaging remarks about the general duties of airmen or the administrative officers. These men are just as essential to the services as the lads who fly. Their job may be colourless, undramatic, and in many cases routine. It is one thing to fly. It is another thing to "keep 'em flying." Aircrew is dependent upon groundcrew. We are a team; all praise and honour to the aircrew, all credit and honour to the groundcrew.

In what I have said so far I have not forgotten for a moment that this government would be most remiss in its duty, in its responsibility, if it did not plan immediately for the days of demobilization and the battle of peace, which in many ways will be just as difficult, trying and expensive as the war. It is vitally necessary that plans be made. Some plans are, of course, already in the process of making. It is vitally necessary that schemes be designed and programmes laid down now for the day when the member of the armed forces hangs up his uniform or hands it in for the last time.

Let me say here that part of the functions of my station overseas is in connection with repatriation. Through it flow all the lads, aircrew as well as groundcrew on their way back to Canada. I personally see and interview large numbers of them in the course of duty, and, of course, after hours. I think I can give the committee a fair idea of what is in their minds when they are at the point of coming home. I say this immediately to you: there is not one of them who wants to be milk-fed when he comes back. There is not one of them who wants your sympathy or your pity. Goodness knows he has demonstrated to the full his unselfishness and sincerity. He has certainly proved himself a worthy citizen. He expects something from his government, and justly so. He does not want much, and he does not want to be coddled. What he wants is reasonable, and I can tell you he expects it. All he wants from his government, to put it in a sentence, is an even break to rehabilitate himself. He realizes that he has not had too much experience in the art of living a normal life. He knows that in the last few months or years he has lived a hectic life under a terrible strain; that inevitably that strain has taken a toll of him to a greater or lesser degree, and the period of adjustment is certainly not going to be easy for him. He wants counsel. He wants a bit of help, a bit of advice. What is already going forward in our service or in the process of development along these lines is a most worthy project, and I compliment the minister upon setting it up. Yes, the man when he returns wants help and counsel in the rehabilitation period; and yet when it comes right down to it hon. members will fully realize how little many of these youngsters, thousands of them, yes, tens of thousands of them, fresh out of school, know about earning a living or maintaining themselves. For his whole service life everything has been found for him. On the whole, the chances are he has had a pretty decent place in which to live and he has had good food. The chances are that he has earned more money than he could hope to earn in civilian life until he has had a bit of experience and has climbed up the ladder a little.

Yes, he needs your help. He certainly expects it. It would be his idea, in which I heartily concur and which I recommend strongly to the government, that he should be kept on strength at his rate of pay until such time as his rehabilitation period or training period for civil life, whether it be in a school, college, university or as an apprentice in a job, or in a technical school, is complete. I do not suggest for a moment that he feels he should be kept in uniform. He could be on leave with pay and permitted to wear civilian clothes, but kept on strength until he finishes his training.

Then he expects on his discharge, on the completion of his training, that a job be ready for him as he will be ready for it. This he feels is due him by the government. He also wants a place to live. He wants to be sure that he is going to get a place to live. There is nothing he wants more than a home. Many of these lads have been to the four corners of the world. They have been away from their country for years, and Canada looks pretty good to them when they come back. In some cases, yes, in thousands of cases, he will be bringing his bride home with him. He has already heard about the shortage of homes in Canada. He is a bit worried about that and he expects the government to do something about it.

Another thing he thinks about is the fellow who stayed back home, perhaps through no fault of his own because he was in an important war job or, maybe, because he did not want to go. The man in the services overseas appreciates fully that there is a home front as well as a war front, but he takes a pretty dim view of the fellow who could go active but did not. What he expects—and he does expect it—is that the lad who stayed at home will not be permitted to pick off all the plums in so far as jobs are concerned before he has had a chance to get them too. In other words, he wants his future safeguarded for him while he is away. These are the principal things about demobilization which the lads I have seen are thinking about when they have time to think about their future or they find they are on their way home.

There is another point that some of them, perforce have to think about, and that is a pension. So many of them are coming back with the mark of battle upon them. Lots of them have disabilities that are permanent. What about the pension? He does not like the present pension legislation. He thinks it is un-British in that the would-be pensioner is considered guilty until he is proven innocent. By that he means that the onus of proof is on the applicant. He feels it should be the other way. In other words, he feels that the applicant is entitled to his pension unless his application is proved unjustifiable. That matter is of no small importance.

He is pleased to know that his government is in the process of introducing legislation to set up three new departments, the departments of social welfare, reconstruction and veterans' affairs. He feels that is a step in

the right direction. You see, for much of his life, just to take one point, he has had the best of medical and dental care, and his needs in those fields have been at his disposal without cost. He is going to be out on his own some day soon, he hopes; and to obtain the benefits of these necessary services is apt to be a big expense. Therefore he feels that by the time he gets back something should have been done to make these essentials accessible to him, and within his means.

Then, too, for the present, while he is still on active duty, he feels that a bit more could be done for him. About all he gets now is his pay. I am breaking no confidence, Mr. Chairman, nor am I transgressing my privileges as a serving officer or as a member of this house, when I say that I know the Minister of National Defence for Air (Mr. Power) has some plans in mind in this regard, which plans it is not my privilege to mention here. To him I should like to say: All power to you and your ideas; and to his colleagues in the government I say: Give him your full support. You see, these airmen of ours are scattered over the face of the globe; some are in far-flung, distant places, remote and woolly. Sometimes some of these lads think they have been forgotten; in most cases in such places they are with a service other than their own, namely the Royal Air Force. They are still Canadians; they are still our responsibility, and they feel that their own service should look after them. So I say to the minister, carry on with the plans you have in mind; and again I urge his colleagues in the government to give him their full support in order that these plans may be implemented.

These, Mr. Chairman, are only a few of the things about which the airmen are thinking. If time permitted I could discuss other points, perhaps of less importance but still of great importance. Some of these matters have already been brought forward in this chamber by the hon. member for Vancouver North (Mr. Sinclair). For example, the clothing allowance on discharge is $65. The airman knows and the government knows, that you cannot re-kit yourself in a civvy outfit for $65; at least if you do, you look as if you had. Another thing he does not like is this quaint $44.20 for living allowance during a training period. The mathematics of it somewhat befuddles him, but he does know one thing; it is not enough. What he dislikes most of all is the vast difference between what the low-ranking airman gets on discharge as compared with what the senior officer gets. He feels that it is all out of balance and unfair. Therefore I urge upon the government, with all the earnestness of which I am capable, that they listen to what these lads of ours have to say in regard to what they want and expect. Take their word for it; they have earned what they ask for. As I have said, they are not asking much; they are not unreasonable; they are not selfish; they are not grasping. This country has no finer possession than these lads. They just want a fair break; that is all. This government has no greater challenge in connection with its war responsibilities than in connection with its responsibility for the future of the men and women in Canada's armed forces.

In conclusion, Mr. Chairman, let me return to the point from which I began, "Put Victory First." In the midst of the planning which is so vitally necessary for to-morrow, let this house never relax for a moment from its full responsibility toward the winning of the war. Let it discourage private bickerings and quibblings; let it set a standard for the whole of Canada, so that by its actions it may provide the leadership which this country so sorely needs. Since returning to Canada I have been asked repeatedly, "What do the lads talk about when they are not on duty?" I can give you the answer to that question in three words: Winning the war. Visit our units in the United Kingdom, or wherever they may be; visit stations and squadrons, where our lads are in such great numbers. There you will find the noblest body of young men produced by any country. You will find their spirits high, their determination deep, never flagging or failing. To win the war; that is their slogan.

As I take my seat and then leave this chamber to return to duty I express the hope of every one of us in the armed forces, that the stern reality of the moment as we face D-day will impress itself upon this house and this country. Something was written during the last war which has been repeated time and time again, and it cannot be repeated too often these days. It was written by a Canadian for Canadians. They are simple words, but how deeply they should sink into the very fibre of this house and this nation: "If ye break faith . . . we shall not sleep. . . ."

Mr. RALSTON: Before the committee takes recess I should like to place upon the record, in connection with the matter of housing particularly as it affects dependents of members of the armed forces, a telegram which was sent out by the chairman of the dependents' board of trustees to the different dependents' advisory committees all over Canada, as follows:

Immediate

Para. one: The dependents board of trustees are empowered to provide supplementary grants or special assistance to qualified dependents of members of the armed forces where such dependents have special or emergency needs.

Para. two: Advisory committees are reminded that this provision covers assistance to such dependents who may be threatened with eviction and have other accommodation available but require financial assistance to meet transportation costs.

Para. three: Please arrange with your committee and your cooperating local welfare organizations to give immediate and sympathetic consideration to applications of this nature.

Para. four: Grants may be made locally as necessary within usual limits of committee authority. Where reference to the board at Ottawa is required please use telephone or telegram. Special arrangements have been made by board to deal immediately with these emergency cases.

Para. five: Your mayor and municipal authorities should be reminded immediately of the assistance available through your committee and that D.B.T. is both ready and anxious to help qualified dependents who need emergency assistance.

Para. six: I bespeak your close personal attention to this matter and urge the most prompt and sympathetic action. You may be assured of the fullest cooperation of the board.

Jack Pembroke,
Chairman, D.B.T.

Mr. GRAYDON: Was that telegram sent this afternoon?

Mr. RALSTON: It was sent to-day.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. MacNICOL: Mr. Chairman, for a moment or two I should like to deal with a few of the matters to which the minister referred. I was interested in what he said about section 5, that under the present regulations it is rather difficult for an employer to discharge an employee. This change has been long overdue, and I hope it is now official that employees cannot be discharged without official consent. I am sure this will be a relief to workmen generally, particularly in large plants. I believe he said also that an employee cannot just quit his job when he feels like it. I hope the regulations referring to each of these facts, if I may call them facts, are not just something that can be set aside at will. I hope that they will be kept in force.

I wish to say a word about selective service. First, I should like to compliment the minister upon his deputy, Mr. Arthur MacNamara. I have had considerable dealing with Mr. MacNamara, but it has been by correspondence and I do not think I have ever met him. Upon the presentation of the facts to him I have always found him ready to deal with them in a proper way.

The operation of labour offices has long been a matter of inquiry with me. I have followed their operation in Great Britain and continental Europe, and I have been specially interested in the opening of labour offices in this country under national selective service. I am glad to note that national selective service are now sending its staff employees into the different plants in order that they may determine, as far as one not actually a labour operator can, just what is being done, and be in a better position to advise applicants for employment. Some time ago I talked with a young woman in the Toronto selective service office and she told me about having been sent to visit a large plant. She was quite thrilled over it, and she said that she felt herself better qualified and more competent after that and other visits to advise those making application for various types of employment. I can see how the personnel of the selective service are acquiring an experience which will be very valuable as time goes on.

In the great plant with which I was associated for many years we had workers of many races. There were Poles, Italians, Czechoslovakians, Ukrainians, Russians and others. At all times they were found to be capable workmen. I have been wondering if the people of these races have been given a place on the staffs of selective service branches. I often think of the people who were brought into this country from Europe. They built up this country to a greater degree than they are given credit for. At the commencement they were brought out by the large companies for one reason or another, perhaps because of a scarcity of labour, although I can not say yes or no to that. On account of their not being able to speak English, the positions they held always entailed hard work. I am glad to see that they are now getting above that and are taking a part in other activities in this country. I should like to know if these people have been given a part in an administrative way in the operation of these offices.

I am going to suggest to the minister that he should look over the administration of his predecessor, the late Hon. Norman Rogers. I had a very high regard for the former Minister of Labour. He was not only fully qualified; he was most capable in an administrative way. He was head of the department during the deep depression, and I remember his presenting a programme to the house some time before he had the sad ending that came his way. I have often thought that

had he been permitted to live, perhaps the depression would not have got down as far as it did.

The minister mentioned Steep Rock. The development there has been due largely to the ability of the hydro electric power commission to do what it did to enable the promoters of this property to divert a river which was injurious to the property and upon which was a power plant producing about 10,000 horse-power and belonging to the Minnesota Ontario Power company. The hydro electric power commission of Ontario were able to say to the owners of that power plant that if they would agree to the river being diverted they would supply them with 10,000 horse-power, the utmost capacity they were able to develop. The Ontario hydro electric power commission were able to put another dynamo into operation at their Alexander plant on the Nipigon river and provide the power.

Because of its ability to develop large blocks of power the hydro electric power commission has been of tremendous help to this country in the carrying on of the war munitions task that faces us to-day. If things should get tough for the minister after the war, I suggest that his department interest itself in assisting the provinces to produce power in a big way. I suggest to him the possibilities of producing hydro electric power in the great central province of the west, Saskatchewan. While that province produces some power from coal at Estevan and other cities, the production of hydro power, if carried on, is only in a small way.

The minister referred to old age pensions, and I should like to say one word about this. Years ago I supported a programme which was advocated in this house by the late leader of the Cooperative Commonwealth Federation, and one of his confreres, as well as a number on the then government side. This was not adopted by the government, since apparently they did not think they could get the money to carry it out. I advocated the reduction of the age limit to sixty-five years and the increasing of the contribution of the provinces, and that of the government from what is now called for by statute—$20 a month, plus what is given by the provinces, plus a war bonus—to at least a dollar a day.

The minister said something about apprentices. There, I believe, is a big field. Anyone who has been associated with employment, in a big way, knows what a real system of apprenticeship in this country would do. We never had it, except in some of the individual trades. I am going to suggest to the minister that between now and the next session, if this government remains in office for another year, he might prepare a programme of apprenticeship for Canada, and present it at that time. That is all I shall say about the minister's speech.

In reference to the subject of labour, itself, the minister will know that, in the years he has been acquainted with me, I have always been greatly interested in labour problems, having myself been associated with labour for many years. I have always taken the stand, and I shall never fail to take it, that the labour unions have had a much larger place in maintaining harmony in labour ranks in Canada, and in the building up of our country, than they have been given credit for. It has been my experience that in the great majority of cases the heads of labour unions with which, when I reached the position of an executive, I had to deal were anxious to keep labour employed. I know that in more than nine cases out of ten they were anxious and willing to keep the members of their unions employed. They were not in favour of strikes. Only very rarely did a labour leader call for a strike, and then only under the greatest provocation.

Therefore I have always had a warm feeling for labour unions; and the whole labour movement from the earliest days has had a long, long struggle up, up, up, up, up, all the time, until to-day they have reached a position they never reached before. I believe it was away back in the eleventh century that what we now know as labour movements originated. They had their beginning in the early guilds, although at that time the guilds were not completely confined to labour operators, themselves, but took in various groups. Then, following the guilds came the craft unions, in the fourteenth century. In the beginning of the last century the modern labour union movement started in Great Britain, and had marvellous success. From that time on, down through the years of the last century, the work performed by great union leaders—and there have been some distinguished leaders—has been the basis of the present set-up with which the minister is so familiar, because I have no doubt that he was associated with labour unions in the old country.

I feel this way about labour unions: it was developed from guilds to crafts, and then to trade unions. Then in recent years we have found the principle of collective bargaining. I believe the former head of the labour movement in Canada, a man who commands high respect and who, I am pleased to know, is improving in health, must be mentioned in

this connection. I believe it was in 1934 that Mr. Tom Moore—if I may speak of him familiarly—set out clearly and strongly the advantages of the principle of collective bargaining when he attended before the price spreads inquiry of that year. He was one of the early advocates of collective bargaining in Canada, and had to support him a bill which had been passed in the United States. Section 7A of the National Industrial Recovery Act of that country states, in part:

> Employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint or coercion of employers of labour or their agents, in the designation of such representatives or in self-organization, or in other concerted activities for the purpose of collective bargaining.

From that time—and that was only ten years ago—until recently perhaps under the minister's term of office, the principle of collective bargaining has become fairly well established in this country. And I do not see why it should not be. The whole structure of plants has changed greatly in late years. Machines are automatic, and particularly those machines for the operation of which men had to be thoroughly trained. It used to take years and years of training to operate a lathe. It was one of the most complicated machines of that time. I must confess that I never could master the operation of the various gears in a lathe, so as to turn out work as it should be turned out. It was something at which I never became proficient.

To-day, however, that is largely done automatically. We find that now the single craft union in the big plant has lessened to such an extent that it really becomes necessary for the personnel of such plants, no matter what the crafts may be, to bargain together. To my mind that is the real principle of collective bargaining.

I say to the minister that the problem of employment after the war will be the responsibility of the Minister of Labour. That is in my judgment his primary duty or one of them. In the last few years, because of the operations of the Department of Munitions and Supply, and perhaps one other department, employment has got out of the minister's control. But after the war it will be his duty to look after it, and no doubt it will be back under his supervision.

I support what was said this afternoon by the hon. member for Greenwood (Mr. Massey), namely, that when the troops return, those who have not positions to go to and those who will not be employed in the armies accupying a relieved Europe, or are not required in our own armed forces, or are not training in colleges or schools, should be kept on the armed services rolls until positions are ready for them. If that is not done, the Minister of Labour will have a terrific job on his hands.

May I express further opinions about labour. Having served for many years with many hundreds of men, I have always had a warm attachment to the labouring man and his family. It would seem that labour has suffered all the distress, and unless a big change takes place in the attitude of the state toward the labouring man, his difficulties, trials and troubles, we shall not arrive at the point at which we should like to arrive, namely the elimination of the fear of want among labour and labour troubles.

Something was said yesterday about the reduction to fourteen years of the compulsory age limit at which children should be at school. I do not agree with that. It may be all right if, as we sometimes find in Toronto, a child of fourteen years has to procure employment, and gets it upon the request of his widowed mother or perhaps the request of a father who is unable to work. In Toronto the consent of the board of education must be obtained for children to leave school at fourteen years of age. I have known cases where this has worked out satisfactorily. Of course the board requires that the child shall attend night school for so many days a week until it reaches the age of sixteen. The lad who does that will want to continue even beyond that age. I do not think the school leaving age should be less than sixteen. I agree with what was said some time ago before the reconstruction committee by a group of educationists, namely, that every Canadian child—the child of the labouring man as well as of any other citizen—is entitled to the best education that can be given it up to at least sixteen years of age. What part the minister has in this I do not know, but I believe he should insist that children be kept at school until they reach the age of sixteen. After that, what is the boy or girl to do? I have seen many cases of lads put to work for which they were not equipped. I wonder whether the minister has given any thought to a suggestion which is often made here, namely, the encouragement and extension of technical schools and vestibule schools associated with industrial plants, wherein lads who are leaving school can be trained in the industry, receiving some compensation for the returns they make to the company while in training, and the foremen, seeing what progress they made, could place them in positions in the plant itself where they could get better pay than they would probably receive if they started to

work without any such special training. I strongly favour giving the sons of the workers an opportunity as soon as possible so to equip themselves as to obtain the largest possible remuneration.

I also suggest that the minister interest himself in the question of whether companies, great and small, should not be permitted to use part of their excess profits, at any rate when the war is over, for the reconstruction of their plants in order that working conditions may be healthier and pleasanter. I often think with regret of men spending their lives in large dingy factories, with dark greasy walls and floors, when the companies, if they were encouraged to do so by receiving part of the excess profits which to-day must necessarily be used for the war effort, would restore and recondition their plants to the great benefit of the workers. Surely the time is coming when every plant where men and women work should be as attractive as it can possibly be made. The time is past for men and women to operate all day long under disagreeable conditions which it would not be difficult to remedy. Then, why should not every plant management do as so many plants are doing to-day, namely, give their workmen and workwomen a period of rest in the forenoon and the afternoon? I know of many plants where this rest period is in effect; indeed, if I started to name them I would take too much time, besides running the risk of omitting to mention a great many others which no doubt are doing the same thing. I therefore would simply make the general statement that many plants to-day allow their employees, as they should, as relief from the constant application which modern fast moving machines require, fifteen minutes' rest in the forenoon and a similar period in the afternoon, giving them an opportunity to refresh themselves with a cup of coffee or a sandwich. I believe that practice should be general; it does not seem fair to have it applied to a certain number of plants when it is not applied in others, although I am informed that in those plants where the practice prevails the output per employee for a similar period is greater than in factories where it has not been adopted. But the rest period should be of general application; the time has come when all workmen and workwomen, and not merely some of them, should be treated with fairness and consideration.

As I understood the minister this afternoon, he said that labour is participating to a greater extent than ever before in membership of government boards and commissions. That is as it should be. I have observed in reading history that as the franchise has been extended, so labour has taken a greater share in the world's business. I should like to see in this house many more labour men. By this I do not mean—and I say this without making reflections upon any party or person—those who call themselves labour men; I mean those who, like the minister, have worked for years and years at the bench or with the tools of their trade, not those who serve for a couple of weeks in the summer holidays at some manual occupation and talk from then on as if they know all about labour. I am not reflecting upon any group in the house when I say that I should be glad to see more labour people in it. We all know that the government of Sweden is represented as being perhaps one of the finest governments in the world. Whether this is so or not, anyone who studied the personnel of the present Swedish parliament knows that the government contains a larger percentage of downright labour men than the government of any other country. That is a credit to Sweden.

I should also like to see in the house a larger number of business men of the type of the hon. member for Victoria-Carleton, men who do big things, who make big business and give large numbers of men employment. I know it is almost impossible for a man to run a business and be in the House of Commons. Nevertheless, if we had more business and labour members the work of the house would be pepped up and we should get through much earlier than we do.

What is labour entitled to? First, security against unemployment, which means, of course, security of employment. The insecurity which labour has been up against all down the years is a main reason for the stresses and troubles which have developed between employer and employee. That should not be the case. Employer and employee should co-operate, and in that regard I should like to see—and I am glad to know that the practice is spreading all the time in the plants themselves—not only the management but those under the management rising from the ranks within the factory. That is gradually increasing to the good of the factories. I have experienced that myself and I know.

I have heard people denounce industry generally, but I could show hon. members many great plants in Toronto in which all those who are managing operations, from the manager, the assistant manager, the engineers and so on right down through the plant, have been educated so to speak in the plant itself in the particular line in which they are engaged. That is as it should be. Labour cannot do it alone, nor can capital accomplish this end alone. It takes the two together,

both capital and labour, and each has its absolute rights. The rights are not all on one side or the other.

I feel that we have reached the stage where there should be just cooperation between management and labour in every plant and just cooperation between capital and all those engaged in the plant. May I suggest to the minister that after the war his great problem will be that of providing employment. The Minister of Pensions and National Health (Mr. Mackenzie) has spoken of a big programme that is to be put into effect after the war to produce employment. Well, personally I do not know of any big programme. The Minister of Pensions and Natioinal Health may know of one but I do not. At any rate it is the duty of the Minister of Labour to urge, as strongly as he can, on all the departments that may be concerned the preparation of plans for employment on a large scale after the war.

We all heard the speech delivered this afternoon by the hon. member for Greenwood. It was a brilliant speech in which he excelled himself, and he pointed out that the heroes coming back after the war will want positions. He said, and I am sure we all endorse his views, that no one is more entitled to positions than those men and women who will be discharged from the services. The Minister of Labour has, therefore, a tremendous job to see to it that somebody shall make preparations for the time after the war, because the war may end sooner than anyone expects.

We have not had any difficulty in raising billions to spend on the war—for what purpose? For the destruction not only of buildings, of property, of wealth in general, but, on a large scale, of human life. I do not think as much money will be required after the war, but should it be difficult to obtain billions, if needs be, to put our men and women to work at that time? I do not think so. I believe that if the minister and other members of the government do their part there will be no unemployment after the war. There should be no unemployment in Canada with our incomparable resources and the thousand and one opportunities which we have to-day to do what should have been done years ago during the depression.

I trust that the Minister of Pensions and National Health, who has these plans either in his pocket or in his head, will tell the house one of these odd days just where we shall send 100,000 men and women to work after the war, because certainly we cannot return to the condition that existed in the days of the depression.

[Mr MacNicol.]

My time is up, and I should like to conclude by summing up these remarks as to what labour should have.

1. Certainty of employment.

2. Healthy working conditions. Every man and woman in Canada should have such conditions of employment.

3. Adequate compensation to enable labour to take care of their families, and if necessary, should they have no other means of doing so, lay by something for themselves for old age. They should be freed from the necessity, if they accept the old age pension, of surrendering the right to their homes. They are not asked to do so in Australia, in New Zealand, or in England, and I do not see why they should be asked to surrender their homes in Canada if they wish to accept old age pensions.

4. There should be compensation for unemployment. We have unemployment insurance, but it is not everyone who has such insurance. No one unemployed after the war should be in a position where he will not have any revenue coming in.

5. There should be sick benefits for the people. There have been such benefits in England for many years.

6. I think the time has come when labour should have a larger share in plant management, assisting the managers.

7. They should have pleasant employer-employee cooperation.

8 There should be no lock-outs. Men should not have gates locked in their faces and be sent away. The minister, I believe, has in mind setting up some board that will ensure the elimination of such a condition.

9. If there are excess profits the men should have a part of them.

Finally, I hope the government will set up a real labour board. There are now fine men in the government service who are well trained and one of whom I have in mind. He writes a great deal in the labour press. I refer to Bernard Rose, K.C., of Montreal. There are many others like him qualified to sit on such a board, and the activities of such a board would in my opinion tend to eliminate the possibility of strikes.

Surely there should be governmental machinery to keep men working and to see that they get fair play and are not chased out of employment and locked out, suffering in consequence. The time has gone by when such a condition should exist. The time has come when labour should have fair play all along the line.

Mr. MACKENZIE (Vancouver Centre): May I intervene in the debate for one minute. I agree entirely with my good friend the hon. member for Davenport as to the nature of the address heard this afternoon from the hon. member for Greenwood. It was in every way a highly effective speech, but there was one part of it in which I crave permission to make a correction, because I am sure the hon. gentleman himself would be the first to assist me in doing so. He was speaking of our comrades overseas and he said that he does not like the present pension system. He thinks it is un-British in that the would-be pensioner is considered guilty until he is proved innocent, and by that he says he means that the onus of proof is on the applicant.

It is my duty, in a cooperative spirit, to correct that statement because it might be disturbing to those overseas and to their families as well if it went out in that form. The practice at the present time is this. On the first hearing the responsibility is definitely on the commission to show why an award of pension should not follow, and on the second hearing, in which of course the applicant can submit additional evidence to overcome obstacles that may occur, both at that hearing and before the appeal board, there is a duty and responsibility upon the commission to set out the reasons why pension is refused.

I will conclude by quoting, not the opinion of anyone, but what is the statute law of Canada. I do so because I do not think the statement which I have quoted should go out unchallenged. Section 62 of the Pension Act reads:

> Notwithstanding anything in this act, on any application for pension the applicant shall be entitled to the benefit of the doubt, which shall mean that it shall not be necessary for him to adduce conclusive proof of his right to the pension applied for, but the body adjudicating on the claim shall be entitled to draw and shall draw from all the circumstances of the case, the evidence adduced and medical opinions, all reasonable inferences in favour of the applicant.

This is statutory and mandatory. The hon. gentleman inadvertently used the term "un-British". May I say to him in a kindly manner that our Canadian pension provisions are far superior to those that have been in existence in the old country, my native land, in the last twenty-five years.

Mr. ROSS (Souris): May I ask the minister the date of that from which he has quoted?

Mr. MACKENZIE (Vancouver Centre): The present Pension Act.

Mr. ROSS (Souris): What is the date of it? That was not the system in effect.

Mr. MACKENZIE (Vancouver Centre): The administration may not have been strictly carried out to the letter of the law, but that is the way it works on the first and the second hearings and before the appeal board.

Mr. ROSS (Souris): It has not always been that way.

Mr. MACKENZIE (Vancouver Centre): Oh, yes, for many years.

Mr. BLACKMORE: If it has always been that way and has worked out as unfortunately as it has in the past I do not know whether there is much comfort to be drawn from the minister's remarks.

Mr. ROSS (Souris): There is not.

Mr. DONNELLY: What is the date?

Mr. MACKENZIE (Vancouver Centre): 1930, chapter 35, section 4.

Mr. GRAYDON: May I say to the minister that he may be able to read to the committee the letter of the law, but the spirit of the act has been criticized very fairly but perhaps not in the language that the minister would use. Nevertheless, it is the spirit in which the act has been administered that has led to the criticism of the hon. member for Greenwood this afternoon. When I spoke a couple of weeks ago I dealt with these matters in the hope that the minister would see that the very thing which the hon. member for Greenwood spoke of to-day would be carried out and that the whole philosophy of the pension commission and department would be changed so that what he suggests would be carried out.

Mr. MACKENZIE (Vancouver Centre): This is not the appropriate time to carry on a debate on this matter. There will be plenty of opportunities when my estimates are before this committee. I wish to tell my hon. friend that the spirit of the present commission is 100 per cent for the soldier. Six out of nine were privates in the line in the last war. Every one saw service. There is continuously a misrepresentation of this section 62. In every case where it is possible to do so the benefit is given to the applicant for pension, and it will be done as long as I have anything to do with the department.

Mr. GRAYDON: Is the minister himself satisfied that the administration of the Pension Act has been working out satisfactorily?

Mr. MACKENZIE (Vancouver Centre): Of course, in any administration there are cases of hardship and cases of unfairness. There are bound to be. The spirit and the intent of the Canadian pension commission

is to give the benefit of the doubt to every applicant. That is certainly my intent, as it is my hon. friend's.

Mr. GILLIS: I listened with a great deal of interest to the Minister of Labour presenting his war estimates this afternoon. I know he has a rather difficult job. He has been in the United States these past few days and perhaps he did not have an opportunity to study his war estimates and to give the committee an opportunity of understanding something about the presentation he made this afternoon before we were called upon to discuss them. He spoke for approximately an hour and a half, and we who are obliged to participate in the debate to-night have not had an opportunity of reading his remarks. I should like to have done that.

To-night I intend to deal in a general way with some of the aspects of his report and some of the sub-departments of his department. I have stated in the house on many occasions that I consider the Department of Labour the most important war department of government. I think that was exemplified in the minister's report this afternoon. That department has within its administration the complete mobilization of man-power, since it handles the call-ups in the first instance. Through the selective service organization it has the first approach to the ex-service man who comes back seeking a job. It has complete charge of controls which have a lot to do with the whole economic set-up of the country. It has under its administration and direction complete industrial education. It is pioneering the way in that field. For the first time in the history of the country a very necessary job is being done in that direction. That is why I should have liked to have an opportunity of studying the minister's report before I was obliged to speak on it; because I believe it behooves every member of this committee to make a careful study of that report. Not only has it a bearing on the war effort itself; it has within its purview almost complete control in the field of reconstructing Canada when the war is over. It is a department that we should all study carefully.

To-night I am going to comment briefly on the labour relations end of the minister's department and to make some observations on order in council 1003, as I see it. I am very much disappointed with that particular order, in view of the fact that for the last seventy-five years in Canada we have been struggling to establish some uniformity in labour relations in the different provinces. It has been more or less a hit-or-miss proposition with different regulations in the different provinces, and in some of them none up to very recently. During the whole process of fighting the war perhaps the most contentious problem that the minister's department has had to handle is the problem of labour relations. An effort has been made to adjudicate the democratic rights of the workers of this country in the field of industry.

I was pleased when the Prime Minister announced to the house, after considerable wrangling and a lot of unnecessary disturbance in the industrial field, that he was appointing a board headed by an eminent member of the judiciary. The obligation of that board was to make a complete examination of industrial relations in Canada as it affected both the employer and the employee and any others who might be interested. The Prime Minister stated specifically in the house that this was not to be an ordinary board and it was not to bring in an ordinary report. He said that what he was endeavouring to do was to set up labour jurisprudence in Canada; that this was to be labour's court, established for the purpose of ironing out labour's national difficulties in the field of labour relations.

That board sat and examined witnesses from one end of Canada to the other, employers and employees and others who were merely interested. Along with the hon. member for Vancouver East I had the pleasure of presenting a brief to that board, and I had considerable hope for it. After a mass of evidence was assembled the board went into a conference and they first divided among themselves. A majority and a minority report were written. Finally the provinces were called in and the basic order in council known as 1003 was drafted. I was surprised and disappointed after reading that particular order. I did not think they did the job they should have done. I see the situation left pretty much as it was. I read the majority report and the minority report. I do not think the order in council in any way reflects the opinions expressed in either of those reports. While those who drafted the final order may have been influenced somewhat by the reports, yet I see very little relationship in the order to the basic principles set out in either the majority or minority report.

The majority report deals with the right of the workers of this country to organize, and with the guaranteeing to them of collective bargaining, because there is no use in organizing unless that organization brings about a collective agreement. I am taking the majority report on that point because it

was not as drastic and far-reaching as the minority report. On that point, at pages 2 and 3, the majority report had this to say:

> The recognition of the right has been far from universal. By far the majority of employers have resisted it over the period. Generally speaking the great mass of employers until comparatively recent years have employed all weapons in their power to resist and discourage the trade union movement.

Then it goes on to say:

> It is perfectly natural that labour should have felt generally resentful in such circumstances, particularly when it had the opportunity of observing the progress made in ensuring its place in society in the sister dominions of Australia and New Zealand and later in the United States. The feeling of frustration became accentuated with the depression years commencing in 1929, when a great part of labour had to exist on relief furnished by the state on account of industry's failure to furnish even a reasonable measure of employment.

That is pretty strong language, and from it one would believe that on the question of making union certification mandatory it was the intention of those who wrote the majority report that there should be no room for quarreling with respect to the certification of a union if and when the workers demonstrated by a vote that they wished to become members of any given collective bargaining organization. But I do not see that the language contained in the majority report has been carried forward into the code itself. I think the quickest and easiest way to dispose of that contention is to see how the code has worked out and how it has been recognized by employers since its inception. Of course I admit that it has not had a fair trial as yet, but the attitude on the part of the employers as set out in the majority report is still very apparent. I am going to mention two quite recent examples of that attitude. The first is contained in a night letter, dated April 24, to the Prime Minister, protesting that in connection with an application for certification for the employees of the dominion arsenal at Lindsay, which I presume to be a crown operated company, the same old difficulty is being encountered. There is no need for me to read that night letter; it has been sent to the Prime Minister. Therefore these difficulties are still very apparent, and not very far from this city of Ottawa, though the code was designed to overcome them. The second example is given in a letter dated April 17, which states that the national association of technical employees has been experiencing, in connection with the certification of a collective bargaining agency, the same difficulties that have confronted the arsenal workers at Lindsay.

Without going into all the machinery provided by the code for the certification of a union, I think the procedure is still too long drawn out; it is cumbersome, and in the final analysis throws the whole thing back into the lap of the old conciliation machinery, so that I am afraid that in future we shall continue to have the difficulties we have had in the past. I do not suggest that the people who drafted the code and those who are trying to administer it were not perfectly honest in their intentions, or that they do not want to see the situation cured, but I am convinced that by and large the employers of this country are hostile to organized labour and will use any loophole they can find in any legislation in order to frustrate the intentions of those who drafted the legislation. Unless this code is tightened up and has more teeth put into it; unless these matters are more clearly defined, we are not going to solve the difficulty. It seems to me that when a group of people decide by a vote that they want to do something, it is their democratic right to do it, and no one in this country should be able to deny them that right. I believe that under the code the certification of collective bargaining agencies should be made mandatory after the simple process of taking a ballot, under the direction of the Department of Labour, has been carried out. In my opinion, all this business of going back to the conciliation machinery in order to determine that right defeats the purpose which the code was intended to serve.

Many other criticisms could be offered, but I am not going to deal with them just now because, as I have said, this code is new and has not had a fair trial. However, I think the two cases I cited demonstrate that the antagonism on the part of those with whom we are dealing, the employers, is still being encountered, and unless more drastic measures are taken in regard to this matter we shall not get very much comfort from the code as it stands at present.

The second point I should like to discuss briefly was touched upon this afternoon by the minister; that is, the matter of labour representation on government boards. I am not going to labour the point. The national war labour board, upon whose majority report this code was founded, also made a pronouncement on this matter, one which I think is extremely important. At pages 13 and 14 the board had this to say:

> Labour feels as well that it should have representation on boards whose work generally affects labour's interests. We feel so too. A great deal of misunderstanding and confusion in respect of the principles involved could be

overcome to a large degree if labour were represented on such boards. Then again, labour is uneasy about cessation of production in certain lines, uneasy as to what is going to happen to it, or where or when, or whether a place is to be found for it in other activities. If labour had some advance notice, through its own representatives, a much better feeling would prevail and more confidence in government would result. To give labour representation on such boards as local selective service boards and deny it representation on policy-making boards is only to pay lip-service to an important principle.

I am absolutely in accord with that statement.

The minister stated this afternoon that he had, I think some hundred and fifty—

Mr. MITCHELL: The total is 352.

Mr. GILLIS:—some 350 representatives of labour on different boards. I am not quarreling with that statement, nor do I dispute it because I do not know.

Mr. MITCHELL: That is a matter of record.

Mr. GILLIS: I am taking the minister's word for it. The point I make is that by and large those representatives are acting in an administrative capacity. There is no labour representation on the policy-making bodies. Those labour representatives are placed in a position of having to administer legislation which they had no part in making. Be it good, bad or indifferent, they have to try to justify it. I know many of them have a difficult job to do in that connection. Until such time as the government is prepared to give the representatives of labour an opportunity of sitting on the bodies where the legislation is drafted, where there will be an opportunity of getting their opinion—

Mr. MITCHELL: May I say this to my hon. friend? You must be elected first. I think every grown up man understands that.

Mr. GILLIS: No, I do not. The legislation they are administering to-day is largely legislation by order in council. There are no elected representatives of the people drafting those orders in council.

Mr. GRAYDON: My hon. friend is suggesting that much of the legislation is initiated by order in council. I would suggest that there is only one representative out of nineteen where that is being done.

Mr. GILLIS: I presume that is the minister. The minister said that you have to be elected.

Mr. MITCHELL: That is the hardest thing.

Mr. GILLIS: I do not see it in that way. As I pointed out to the minister, most of the legislation is by order in council.

[Mr. Gillis.]

Mr. MITCHELL: You will find that out if you ever get over here.

Mr. GILLIS: The members of this house are not writing those orders in council. The representatives of industry and business behind the scenes are taking good care of their own interests. The legislation is passed along to the labour representatives to try to justify it, and a lot of them are having a rather difficult job. If you can call in the heads of industry and give them an opportunity of saying what their needs are in drafting orders in council, why cannot you call in the representatives of labour and give them the same opportunity? I think you would have a lot less trouble with the legislation.

Mr. MITCHELL: We are doing that very thing every day in the week. My hon. friend should know that.

Mr. GILLIS: I do not know that. That is the reason why I am talking about it.

Mr MITCHELL: You are out of touch with things.

Mr. GILLIS: I am not out of touch; perhaps I am too closely in touch with things. That is not being done. The board that drafted that report made exactly the same observation and they were in position to find out. I do not think the men who sat on that board would make the observation they did in their report if the assumption of the Minister of Labour were correct. I still insist that if labour is to be expected to do a job of administration in the field, it should have some say in the writing of the legislation.

My next reference is to the wage control order 9384, which was later amended by order 1727. The latter order removed some of the objectionable features of the original order 9384, but certain aspects still remained. The cost of living bonus was incorporated into the basic rates. I would not quarrel with that if the cost of living bonus were uniform, but it is not. The result is that many of the injustices which existed under the bonus arrangement were perpetuated when the bonus was absorbed into the basic rates. In many industries the basic rates were thrown completely out of line. I do not intend to argue that too long, because anyone who wants to get in touch with those who administer wage agreements will be able to find out for himself.

Under the wage order as it stands to-day the Department of Labour, through the war labour board, has set up more or less of a dictatorship in the matter of wages. However, I think there will be one beneficial result of this; it will force the unions to go into the

question of national wage scales. By this order in council the government have attempted to regulate wages nationally, and they have practically fixed a minimum of thirty-five cents an hour. Restrictive measures are set out with regard to increases in wages. In order to get an increase you must prove that the rates are grossly unfair, but there is a little latitude if the rates are below thirty-five cents an hour. To me that means that a floor of thirty-five cents an hour is being placed under wages.

I think it is foolish for representatives of the workers to attempt to determine wage rates on a local or regional scale. I know what the mine workers are thinking about. They have been organized for a long time, and they are thinking in terms of national wage rates and of using their organization across Canada, in British Columbia, New Brunswick, Nova Scotia and Alberta. They are thinking in terms of a national conference and the fixing of a national and uniform wage scale for that industry. That is one thing this wage control order is precipitating in the interests of the workers of this country. I believe they will grasp the opportunity and attempt to lay down national minimums in the industries over which they have jurisdiction. Perhaps in years to come those who wrote that order for other purposes will realize that they were the force that organized the workers of this country 100 per cent in their industries and established national wage rates.

In the application of the order we must realize that those who administer it are to some extent tied in with the Department of Finance, because they cannot do the things with respect to increasing wages that they would like to do, without consultation with the war-time prices and trade board. That is something which is not generally understood, because the basic principle upon which the wage controls are set is the maintenance of the price ceiling, and the avoidance of inflation. I say this is definitely working a hardship, in that certain controls are there.

We will take as an example what is classified as a non-essential industry. I have an example before me. The salt miners at Malagash, Nova Scotia, made application to the national war labour board for adjustment in their basic rates, and their application was granted. I have the finding before me, but I shall not take time to read it. This is not a large industry; it employs probably 250 or 300 people. Nevertheless it is an industry in a province which has all too little industry. The operator claims he is not able to pay the award granted by the board, unless he is permitted to increase the price of the commodity he sells. He has made application to the war-time prices and trade board for that permission, and he is refused. He is told quite frankly that he must operate in competition with those who are importing salt into that province. That is competition which cannot be met. As a result of an award by the war labour board to a small industry, an industry which is necessary but which is not able to compete with importers—and they are probably subsidized, so far as I know, in the same way as applies in connection with coal—that industry is likely to close. They also have another handicap in that they have to maintain a railway line of their own in order to get the salt out to the main line of the Canadian National Railways. No subsidy is granted by the government for the maintenance of that short line, but the Canadian National, which picks up the salt at a given point, is receiving a substantial subsidy for the handling of that commodity. The picture is badly tangled up, and I am bringing it to the minister's attention. The application has already gone through all the machinery provided by his department, and I ask that he use his influence with the wartime prices and trade board to break the deadlock which exists in an essential industry.

There is no such thing as a non-essential industry. These are essential industries in the peace-time set-up, if we are to have employment in this country. It is silly to classify our peace-time industries as non-essential. Those which are now described as essential industries will cease to exist when the war is over. The other industries are essential in the post-war, and the one to which I have referred is likely to go out of existence, because of the interlocking jurisdiction which arises in connection with relieving a situation which the war labour board has already said can and should be corrected.

The wage question is a difficult one, and I am not going to labour it to-night, because I have not time to do so. The minister knows it very well, and he knows it leaves much to be desired. There are people who believe that family allowances are a solution for the inadequate wage scale. I want emphatically to state that I do not believe that. Under no circumstances must family allowances be used for that purpose.

Mr. MITCHELL: I agree with my hon. friend.

Mr. DUPUIS: We all agree.

Mr. GILLIS: I am in accord with the principle of family allowances, but they should

be carefully worked out. I have my own opinion as to what they should be, and at another time I shall put my opinion on record. It is my view that certain mechanics must be followed out. However, that is a story in itself, and I shall not take the time to go into it to-night.

I am going to make one plea for one class of wage-earners, namely the teachers. Teachers are frozen to their jobs; that is something that is not generally realized. If there is any personnel in Canada working for wages who are underpaid, certainly it is the teaching profession. Right across Canada they are not allowed to leave their jobs, and particularly is that so in the eastern provinces. They are working for as little as $150, $350 or $400—outrageous sums.

I have received resolutions in this connection, some of which have been discussed in the reconstruction committee. Nevertheless the situation still remains. The situation in that section of the province from which I come became so tense just recently that the teachers walked out on strike—and when teachers do that, conditions are pretty bad. They have sent to me a long, very reasonable and fair resolution, urging that something be done to correct the condition.

Mr. DUPUIS: Would the hon. member read it?

Mr. HANSON (Skeena): Would not wages for teachers be a provincial matter?

Mr. GILLIS: Yes, but the freezing of the teachers to their jobs is a federal responsibility.

Mr. HANSON (Skeena): But not the pay.

Mr. GILLIS: No, except that if they were not frozen to their jobs they would be able to shift around, and go somewhere else.

Mr. DUPUIS: Not outside their province.

Mr. GILLIS: The matter of wages is provincial. It is my personal view that the federal government should assume a greater share of responsibility in the establishment of adequate wage rates for teachers right across Canada. I believe that ultimately the federal authorities will have to have a greater say in the whole matter of education—at least I hope they will. It certainly has been most inadequate in every respect, under the jurisdiction which has had control. The resolution is lengthy, and I shall not take time to read it. However, it is a straight plea for the federal government to recognize their position, and it is suggested that by granting a subsidy or in some other way, with the cooperation of the provinces and municipalities, an endeavour should be made to recognize their problem, with a view to curing it. That is about the substance of the resolution. This one comes from a section of the teachers' federation, and there are many others from other groups. I am leaving that thought with the minister. His department has definitely entered the field of education, and I am reasonably sure there are people in that department who will take up the cudgel on behalf of the teacher.

The second point about which I would speak is that of selective service. Selective service is an organization which in my opinion requires some jacking up. At the head of it, in the minister's department, he has some of the most capable men in the country, and they are doing a very good job with, in my view, some inadequate machinery at the bottom.

The part of selective service in which I am interested to-night affects those who have the first approach to the employee seeking employment. I refer to those who give the initial interview. A boy returns from overseas, or a worker from an industry from which he has been transferred approaches selective service. I know that mostly the approach is made in an antagonistic frame of mind. They have the feeling that they are being pushed around. The person whom they first meet, with whom they have the initial interview, is one of the most important factors in the whole set-up. His job is not a clerk's job, not one which can be handled by someone you can pick off the street because he can write down a name or read a form. Those who give this first interview should be carefully trained; they should be of the type you have on your army induction boards, people with some knowledge of human nature, people who can question an applicant and get some idea of his aptitude for a particular line of employment. Selective service is, in fact, something to sell; the customer is the person who is seeking employment; the person who interviews him is just as important as the person you send on the road to sell a commodity for you. He must have some knowledge of the job he is doing.

Things are not working out that way now. Most of the complaints and criticisms I get in discussing the matter with those who have a grievance against selective service arise from the feeling that they are not being treated courteously; that the tendency is to get rid of them as fast as possible or to push them off to something for which they are not suited. The tendency has been to take the ablest men and put them in top positions as administrators, with the idea that these subordinate positions are just clerks' jobs which anybody can handle. The idea is wholly wrong; it is here that you need personnel who can sell the service to a customer who is wanting to buy something.

Justifiable complaint has arisen as to the handling of some of the problems. I might mention particularly the routing of the miners back to the coal mines from other industries. One such case, which I think is known to the deputy minister, is that of an employee at the Ford plant at Windsor. He is called in under the order and is told he must go back to his original employment. He is sent to Edson, Alberta, where there is no work for him; he cannot qualify; he has not miner's papers in that province. He was sent out as a rock driller and rock drillers are not required. Accordingly, he is sent back to Windsor. Upon his arrival there he is shipped off to Nova Scotia. Having worked for a short time there, he is examined, declared unfit, and returned to Windsor again. Meanwhile his family is trailing him. He is now working at Windsor. His complaint is that none of the time lost en route to Alberta, back to Windsor, or to and from Nova Scotia, was paid for. His family was uprooted, and he is still separated from them, his wife and children being in Nova Scotia while he is at Windsor. Over a period of months I have tried to obtain payment for him for that uprooting. I met this man and took the matter up with the department at Ottawa. They immediately started action, but they have to check with the authorities in Alberta, in Nova Scotia, and in Windsor, and they are still checking.

Mr. CHAIRMAN: Order. The hon. member has now spoken for forty minutes.

Mr. GILLIS: I will finish up in just a few minutes, Mr. Chairman.

Mr. DUPUIS: That man must be a commercial traveller selling C.C.F. ideas.

Mr. GILLIS: Perhaps, when selective service regulations come in, it might be preferred that I speak for another forty minutes on it.

I have just this to say. The Department of Labour is, in my opinion, the most important war department of government and the most important post-war department. I am not concerned about the machinery which has been set up but with the objective behind that machinery. I trust that those who have the responsibility of administering the department, whether in respect of selective service regulations, unemployment insurance, wage controls, or any other phase of their work which relates to post-war problems, will not have that same psychology which permeated our national life a few years ago, when a certain gentleman who used to sit in this house made the statement that, in order to keep your economy in balance, you must have a shifting, mobile labour reserve, one hundred thousand or one hundred and fifty thousand unemployed, to be moved from one part of the country to another at will. I hope that will not be the prevailing complex.

Mr. MITCHELL: Who was that?

Mr. GILLIS: The Right Hon. R. B. Bennett. That was his philosophy. That was the cure for the whole problem, that shifting, mobile labour reserve. Just recently over the air we got it in this form from the bankers' association, "Full employment is incompatible with the spirit of free enterprise, which has a right to a normal flow of unemployment."

Mr. DOUGLAS (Weyburn): What is the hon. member quoting from?

Mr. GILLIS: This is from one of our daily papers.

Mr. DOUGLAS (Weyburn): Taken from a bankers' broadcast?

Mr. GILLIS: A bankers' broadcast. While the minister and, I believe, most of his officials are honestly trying to do what they can, the thing to keep in the back of their minds is the object for which orders in council are made, the purpose for which the economy of the country is organized, the right of the fellow who comes back to his job, of which the hon. member for Greenwood spoke. All these things are not possible if what I have pointed out is to be the philosophy behind our post-war planning.

Mr. GRAYDON: I would ask the hon. member the source of his quotation. I should be very much interested in any person who would make a statement of that kind.

Mr. GILLIS: It is from one of our newspapers.

Mr. GRAYDON: Perhaps the hon. member will give it to me privately. I cannot conceive of any person making such an observation in this enlightened age.

Mr. DOUGLAS (Weyburn): The hon. member should listen to the bankers' broadcast.

Mr. McIVOR: In rising to speak on this question I think of my neighbour the late member for Kenora-Rainy River, Mr. Hugh McKinnon, who always made his outstanding speech when the Department of Labour estimates were up for consideration. I should like to pay my tribute to that gentleman, who was once suggested to occupy the position of Minister of Labour. When we think of

him not only as a friend of labour but a friend of anyone in need, that takes away much of the sadness that we feel in our loss.

I go back farther than the hon. member for Davenport in getting to the foundation on which labour is built. He went back to the eleventh century, but I go back long before that time to the day when Adam, the first man, thought he could get a thrill out of breaking the law as his wife did, and the penalty was imposed upon him in the words, "In the sweat of thy face shalt thou eat bread." From that day to the present time the individual or the nation that fails to honour that law must pay for it. As you look back you can see Macedonia falling a victim to the dishonour of the worker. Greece caught that spirit from Macedonia and they, too, failed, placing great honour in citizenship and dishonour upon the toiler. Rome caught the same spirit and, too, declined. We in this country are reminded by a distinguished man from the city of Toronto, from which some fine things come, that the country is not ruled by money but by labour. We know how true that is or how true it ought to be.

We to-day honour labour as it was never honoured before. As some of you take your minds back to the time when that very fine lady laid the corner-stone of the supreme court building, you will recall that she did not just lay that stone and then walk away. She invited the man on the scaffolding to come down as he was dressed in his overalls, and I am sure she gave him a smile that he would never forget. Thereby our present Queen Elizabeth honoured labour.

Let me go back a little bit in the history of the Department of Labour. The first deputy minister of labour is at present in the city of London, England, and he will be there to help to direct affairs so that the man who toils or the man who is the friend of the toiler shall get a square deal. The Department of Labour was first organized in 1900 under the direction of the grandfather of the Postmaster General. The first deputy minister was our present Prime Minister, and the first Minister of Labour was the same man. I would like as briefly as I can to give the committee a few of the performances of that Minister of Labour. Between 1896 and 1911 there were many outstanding acts of parliament passed in the interest of the man who toils. There was the Conciliation Act establishing the department and providing for conciliation by officers of the Department of Labour. There were the Industrial Disputes Act, the Railway Labour Disputes Act, the Industrial Disputes Investigation Act, the Alien Labour Act, and on July 13, 1906, there was the Lord's Day Act, which gave a man the right to rest from his labours on the Sabbath, ensuring to him the right to one day in seven. That was one of the greatest boons to labour. Then there was the Fair Wage Act in 1900.

I can remember very well that in 1922 there was the amalgamation of the Grand Trunk Railway with the Canadian National Railways. The Grand Trunk railway workers were deprived of pension and seniority following the strike of trainmen in 1910 and this was restored by the Prime Minister in 1922. Then there was the act dealing with the Winnipeg post office workers. I must admit I had a hand in that because I felt they were wronged, while I did not come out very strongly in the open because I was timid. The Winnipeg postal employees were required, after the strike of 1919, to accept the minimum rates of wages for new men guaranteed rates payable for work done by statute in 1929. This was amended and they got pay and seniority as usual.

In 1917 the Immigration Act was passed whereby the minister was empowered to deport any person deemed to be advocating violence or sedition except those who were British subjects by reason of birth in Canada or naturalization in this country. This was repealed in 1929 and the section made to apply to those who are not Canadian citizens. This to me was a generous act. Then in 1922 an act was passed restricting Chinese immigration and the members from British Columbia, I suppose, would wish that the Japanese had been restricted in the same way.

Labour was given representation in 1922 upon the board of the Canadian National Railways, and Tom Moore, a man we respect very much, was appointed a member of the board. The order issued by Mr. D. B. Hanna in 1920 prohibiting employees of the Canadian National Railways from standing as political candidates was withdrawn by Sir Henry Thornton in 1922.

In 1922 we had the Dominion Government Policemen's and Firemen's Act and in 1922 we had the Public Service Retirement Act. We had the Government Employees' Compensation Act in 1925. In 1924 a committee of the House of Commons was appointed to consider the subject of industrial and international relations. The suggestion was supported by the late member for Winnipeg North Centre. There was another act in which I was interested and which in my opinion has done good work for the protection of the worker. I refer to the act concerning union labels. Wherever you see a union label you know that the piece of work on

which it is found is good, honest work. That protects the working man and helps to keep him in his job.

The fair wage policy was adopted in 1900. Government departments are required to furnish monthly to the Department of Labour reports giving information as to contracts entered into during the preceding month. This is under the fair wage policy adopted in 1900. Then there was the Technical Education Act in 1919. Following representations made by labour bodies to the government in 1936, the legislation was repealed whereby unlawful associations were declared against civil liberty and against the birthright of the people. I can remember standing in this house and making my first speech against section 98 of the criminal code. I do not know whether I had much influence or not, but I was on the side of right and we won out. Then in 1908 we had the Government Annuities Act, and we had the Home Improvement Act in 1937. Now we are coming close to home. In 1939 the criminal code was amended, and you can visualize standing over yonder the late Minister of Justice, the Right Hon. Ernest Lapointe; he was the one who fathered the amendment to the criminal code which makes it a criminal offence for an employer to dismiss or to refuse to employ a worker for the sole reason that he is a member of a trade union. I have had experience, and experience does count. I remember an occasion in the city of Fort William when a man was dismissed for union activities. Perhaps he made some mistakes, but he was reinstated, and the man who dismissed him moved on.

The Unemployment Insurance Act of 1940 will stand out as a monument to the former Minister of Labour. We have many war regulations, but it will be admitted that the outstanding piece of labour legislation that has been passed by any government in Canada is the war legislation called the labour code. It will be remembered that when an order in council was brought in restricting wages, hon. members from all sides of the house, Liberals and those who are not, opposed that restriction and the code was amended. The seven amendments that were made to the wages control order are beautiful reading to me.

Then we have labour management. That is something to which we all agree. We agree that there should be cooperation between labour and management. It is only fair, because not all the brains of industry are confined to the office and managing staff. The man who toils has practical common sense and can see the thing to be done far better than the man in the office.

We pass on and think of the fact that during the past year men were granted holidays with pay. During the past year 600,000 men received holidays with pay. This is a great boon to the man who toils and it is to the credit of the first deputy minister of labour. Then we have labour representation on the wages control board, the cost of living bonus, and so on. When a man wishes to go from one job to another, if he asks the superintendent of selective service for permission, he is protected. He does not lose his job, neither does he lose his unemployment insurance card. He can be reinstated. I shall not take up the time of the committee to speak of the health and recreation facilities that were made available, the care that was taken of the toiler in the war production plants. I could speak of the comfort that mothers who have to work get from the assurance that their children are well taken care of.

I have a question to ask the Minister of Labour, and I should like him to consider it very closely. I do not think it is in the labour code. Should not those who work on a job, no matter what kind of job, be paid equally? There are some jobs that a man can do better than a woman. There are some jobs that a woman can do better than a man. I think a man would make a better policeman or fireman than would a woman, but a woman makes a better nurse. I have found that when male nurses were employed they were paid better than the women. There are jobs and work that are suitable to each. If the same work is done by a man or a woman they should have the same pay. That is only fair. If a woman does the same work as a man is doing, who gets the advantage if the pay is not equal? It is certainly not the man; neither is it the woman; it is the employer. I suggest to the Minister of Labour that the same pay be given for the same work, no matter whether it is done by a man or a woman.

Labour in Canada has its difficulties. The labouring people are just like lawyers. They may quarrel among themselves, but when they have a common cause then they can work together. You have seen lawyers fight like everything in a court and then go out and enjoy refreshments together. I think that is very much like labour to-day. When they have a common cause they will forget their differences and fight their common enemies. When I think of the growth of labour in Canada I am extremely proud of being associated with them. I have had a lot to do with them. I think the man who toils to-day is a credit to Canada. Labour has done an outstanding job in war production.

But the problem will arise after the war. We have some prophets who tell us there will be great unemployment after the war. I do not believe a word of it. With our present Minister of Labour and Minister of Munitions and Supply I do not think that will ever come. Of course, if others take their places I may not be so confident. But every man should have a job and every effort should be made to see that he gets one. I hope I shall never see the occasion arise when the men have to ride the rods again. If they ride the rods I will ride with them, because we have enough in this country to satisfy the needs of everybody here and a great many more if we can get them to come here.

I pay my tribute to the Department of Labour because I go in and out among its officers. I find a great many of them are saturated with the desire to help the men who toil, and most of them have in their vest pocket a union card.

Mr. CHURCH: It is not often that I have to follow in a church a pulpit orator like the hon. member who has preceded me. I may say if I were a pulpit orator I hope that I would draw a better audience than we have here to-night, because once upon a time I have drawn audiences of three, four and five thousand people.

We have on the government benches to-night eleven on one side, and five on this side. We have here about me eleven or twelve Conservatives and there are five members of the C.C.F. party, two of the Social Credit party and one who is Acting Minister of Justice and Attorney General of Canada. The members are tired of long debates. I am sure the hon. member who is acting as Attorney General, sitting in the seat of the learned hon. Minister of Justice and Attorney General of Canada will do a great deal to set things right.

Mr. GARDINER: This is the first Friday night that the hon. member has been here.

Mr. CHURCH: It is not. I have been here the last three Friday nights. I am not in the habit of addressing audiences of this size. I wish to say to the Department of Labour that I have been a consistent supporter of labour all my life. During my long public career, which I started in 1905 as an alderman in the city of Toronto, I have always had and maintained the consistent support of the overwhelming majority of the labour people of the city from which I come. Along with my late leader in the province we fought for the public ownership of light, power and transportation, and we enjoyed the support of a large part of the labour of that province which was engaged in that fight. The attainment of that objective brought joy to the cities and towns of Ontario and to the industrial workers and farmers. Cheap electrical power and light were made available to nearly all the farms.

I have never been one of those who thought they know something about this problem; far from it. I look upon the House of Commons as a sort of gentlemen's club where everybody has divergent views. As long as they express them sincerely and clearly I have no quarrel with them; far from it. I always listen to hon. members with a great deal of respect.

I have no quarrel with the Department of Labour, which the present minister took over at a critical time. If only we had had organized national selective service at the beginning of the war we would have been far better off; but unfortunately we did not; we did not adopt the policy that was followed in the mother country, where they were just a few minutes away from the bases for the planes which carried the bombs that nearly engulfed civilization. The mother country went it alone for two years, and with the aid of the glorious young men whe flew her planes she saved civilization. The working class and all other classes in Britain rallied to the colours and saved the world.

I repeat, it was most unfortunate that we did not have national selective service from the beginning, because the people of Canada were simply looking for leadership which they were not given. The country was not prepared for war, and perhaps the government were not prepared to go the distance they should have gone. In my view the entire situation was handled very badly for the first two years of the war. I never quarrel with the officials of a government department, because, after all is said and done, the backbone of any government, whether federal, provincial or municipal, is the permanent officials who advise the heads of departments, and we have a most able body of officials, who are loyal, sincere public servants of Canada and a credit to this country.

I have some respectful criticism to offer, but first may I say to the learned hon. member for Winnipeg North Centre, who is one of our best pulpit orators, that it is not usual for one orator to talk to another pulpit orator, especially when it is the Church that is speaking. I have great respect for hon. gentlemen down in the corner; they are becoming the pride of the haberdashers, but perhaps some of the things I have to say will be of interest to them. I do not like to see returned soldiers in the city from which I come going about trying to find someone to advise them

as to what they should do. One or two of the newspapers have been criticizing that situation. I have had a great dead of confidence in the present deputy minister of labour since he cleaned up the dependency situation; I have often praised what he did in that connection in 1940, during the darkest hours of the battle of Britain. He comes from Winnipeg, he admits that, but it should not be held against him. I wish to point out to the minister, as I pointed out to his predecessor, that if I were a soldier coming coming home I would rather go and see a clergyman than go to some of these government offices. To-day I believe the average clergyman is doing a great deal of social work; I know the clergy of the diocese of Toronto, and that is so as far as they are concerned. When our soldiers go to the selective service offices trying to get jobs, the clerks have not time to interview them; they are sent home and told to come back the next day. I would far rather go to the office of a clergyman, because he could tell me where to go; probably he would know some of the aldermen or some members of parliament. In fact, some clergymen are great admirers of the Minister of Pensions and National Health, the master of ceremonies of the house. I sometimes think of him as the Beau Brummel of the cabinet, but around eleven o'clock at night he becomes the master of ceremonies and tells us in a most genial manner what we are to do the next day.

I want to point out to the government in all seriousness that it is not fair to expect returned men to travel all over the city looking for employment; many times they have to walk because they have no car tickets. There should be some solution to this difficulty. If national selective service cannot handle them, turn the job over to the municipalities so that these men may be looked after. Why should a poor soldier just off the train have to come home to his wife and family and say, "Well, I was down town and called at two or three departments, but they told me to come back again tomorrow." I hope that situation will be remedied. There should be no necessity for these men to keep going back; some other system should be introduced. After the last war there was a great deal of trouble in this connection, and unless we bestir ourselves I am afraid we shall have the same trouble after this war. We have heard a good deal about reconstruction. I would remind the minister that even now some industries in the United States are being converted to peace-time work. I am not altogether satisfied with our stay-at-home army of sixty or seventy-five or one hundred thousand men; we have had various estimates as to the size of it. If these men are required only for home defence many of them should be returned to industry, because in my opinion there is no such thing as home defence. Wars are won by soldiers, sailors and airmen at the scene of combat; that is where they are useful. I know many men who have been called up and sent all the way across the country, at vast cost to the government. Every train is crowded with men, some of them travelling from Vancouver to Halifax. That is a nice ride, I must admit. I have made that journey only twice; I have no time for rides. We waited until the third year of the war before bringing in national selective service, but now a great deal of money is being wasted. According to government reports, in 1941 the Canadian National received $2,500,000 and the Canadian Pacific was paid $2,750,000. It is just a waste of money transferring men from work with which they are familiar to work they know nothing about, and during the coming year I believe this matter should be looked into.

As I said, some industries in the United States have begun the conversion to peace-time production. They are not slackening their war effort, but they find that in some products they are overstocked and that the demand has ceased for others. In Washington the other day they wanted to get two million electric toasters, but they did not know to whom they should give the order, since the production of toasters has been curtailed for the last year or two. Finally they decided to place the order on the quota system. So far I have not heard of anything being done in Canada to convert our industry from a war-time to a peace-time economy. We must not forget that it has been a basic principle of economy ever since the early Roman days that after a great war each country must look after its own people first. After that is done they can begin to talk about international affairs. We have a committee on reconstruction, but they are building too many castles in the air. At the present time we have facing us a list of bills which will keep us here until Christmas; we shall not be out of these trenches until then. Before we get through here we shall be going down to Sparks street to buy a few Christmas presents, though no doubt the government will not be able to get through many of the bills which are proposed. A lot of them are only castles in the air. When we are talking about social security and reconstruction we must not forget that after the war this country is going to be desperately poor.

We have squandered our national resources at an awful pace and the result is that the people of this country will have a tremendous debt to pay. The state has no money for all these things. Where is the state to get the money? One would think they were able to mine tons of gold from the north country to pay for all these items of reconstruction and nostrums that are being proposed. I have been a Christian socialist all my life, and I supported the people in Ontario who advocated these measures long before the C.C.F.

When the war is over we shall have to go back to the old way of life. They are getting back to it in England. They have what they call the trade war practices act which is putting industry, large and small, back to where it was without all these controls, back to where it was before the war. Wholesale and retail business are beginning to get together. People seem to think the state is going to pay for all these things, but the fact is that generations yet unborn will have to help to pay for them. I believe in the principle of private enterprise. It has not failed, although it has made some mistakes and will, no doubt, have to clean house. It is doing as much as it can in the way of paying for these things. If we gave private enterprise a chance it would be our best source of employment after the war and do more to reestablish things than anything else.

They had a meeting a short time ago in the city hall at Edinburgh, Scotland, with thirteen speakers in the morning and fourteen in the afternoon. That is a total of twenty-seven, much better than we are doing here. They talked about reconstruction, and the statement was made that the home is gone. Some of the socialists claimed that the state would have to take the place of the home. The moderator of the Presbyterian church spoke at that meeting. I have heard two or three moderators once in a while because I am a moderate myself. The moderator told them about delinquency and all that kind of thing which was caused by the young people not having work to do. He told them that necessity was the mother of invention and that the homes should be reestablished. I think he was quite right in what he said.

In the early days this country was settled mainly by people from the British isles. The English and French got along well together because, as a rule, they were poor people. They hewed down the forests of Ontario, Quebec and other parts of this country. They did not have any of the things that are proposed to-day to be done by the state. The state cannot do anything unless it is paid for by the taxpayers. Are you going to raise the income tax? Are you going to put more taxation on the business man? The minister should look into the coal situation and the national fuel supply which was brought up by the Conservatives in 1921.

There is also the question of housing. We have been told that this is not an emergency. Then there are the questions of food and civil aviation. Russia will require generators and other electrical goods after the war. Our shipbuilding plants will have to be kept going. There are many other things that will have to be done. The reconstruction committee has done a lot of hard work, and I know the members of that committee have given a great deal of time and attention to their task.

I referred the other day to the Atlantic charter. Before this reconstruction can go on any further we shall have to decide some things first. We shall have to decide what we are going to do about the imperial preference, about favoured nation treaties and things like that. The Atlantic charter provides expressly for imperial preference. We shall have to decide about lower tariffs. In my opinion there will always be tariffs. It is all very well to talk about things, but we should wait until we see what happens at the peace table. Why should we throw away our best customer, the mother country, for others when we do not know what they will buy? The mother country has always been our best customer for grain and many other things. I believe we should stick to the empire which is our best customer.

Reference has been made to certain other matters, one of which is national selective service. I do not think we are getting the results we should for the money we are spending. The vote last year was $9,800,000, whereas this year it is $11,000,000. We should get some results for this money. When one looks over the list of men I think some of them might just as well be back in trade and commerce and industry and agriculture instead of our spending all this money upon them. They should be ready to return to industry unless they are prepared to fight the battles of this country at the front.

The minister, his deputy and others have been attending a convention. I have no objection to this, since I think they deserve a holiday because of the way they have worked. However, I do not think we should be considering international socialism when we do not know who is going to win the war. This convention at Philadelphia is part of the old League of Nations, now defunct. I support the international labour convention. This house has never voted any money for it. I

never was a believer in the League of Nations because I think it was one of the things that caused this war. I cannot see just what good that meeting at Philadelphia will do because we do not know where we stand. Until the war is won, the war is primary. I am in favour of having conferences with the empire first of all. I think these international labour bodies will have a mission in the world to come. We hope it will be a better world for the working classes.

Something has been said about the Conservative party. The Progressive Conservative party was the pioneer, in both federal and provincial fields, with nearly all the social legislation we have in this country. They were the first to advocate the public ownership of our light, power and transportation facilities. They set up a national system of railways and they have advocated the development of water power for the benefit of the Canadian people. Ontario gave the public the workmen's compensation act, and many other statutes. It was the Conservative party in this house which in 1921 proposed a national system of unemployment insurance, prison reform, health insurance, and other social measures such as old age pensions and a national fuel policy. I had resolutions with respect to those things myself, in 1921, when I was first elected to the house.

It cannot be denied that in Canada and in England Conservative members of the House of Commons have worked for all these institutions. It cannot be denied that the Progressive Conservative party in this country and the Conservative party in the old country have produced a long line of great statesmen who have known how to tread the middle path of ordered progress and to sow a political harvest which subsequent generations of our empire have reaped a thousandfold. After every war we have brought about reconstruction and all that kind of thing.

It was Clarendon who restored Church and King on the basis of those admirable and incomparable laws of government; Danby who founded the party system; Edward Seymour who, by sponsoring the Act of Settlement, paved the way for the Protestant succession; Harley whose practice led to the adoption of the principle that the crown acts through responsible ministers; William Pitt the younger who revived the idea of the strength of parliamentary government when compared with the rule of the terrorist mob, and who gave the world and his country a priceless legacy of British opposition to arbitrary government and dictatorship; Peel who brought free trade to his country and converted the middle classes to Conservatism; Shaftesbury who stirred the conscience of his party on the urgent need for social reform; Disraeli who linked imperialism with democracy and issued his resounding appeal for the "two nations" of rich and poor to unite; Randolph Churchill, who in a brief life of intense activity gave colour and direction to the policy of conservative democracy; Joseph Chamberlain who fought for imperial trusteeship and brought idealism into imperialistic economics; Baldwin and Neville Chamberlain whose financial "revolution" gave new life to British industry in the thirties and unconsciously paved the way in no small measure for the mighty war effort of the forties; Winston Churchill who led the country in its finest hour. Those are some of the men. And I can tell you this, that the ranks over there in the mother country are filled with young Conservatives who can take their places.

So far as this particular bill-of-fare of the minister is concerned, there is a great deal of good in it. I agree with much of what was said by the hon. member for Cape Breton South. I agree with what he has said about education. A great mistake has been made there. I began public life by serving on a school board, and I know something about the low salaries of public school teachers. The mistake made at the time of confederation was that education was not made concurrent. There should have been concurrent jurisdiction, because it is the duty of the government to look after the health, peace, prosperity and success of its people, and especially of the rising generation. The government did give a lead with respect to technical education. I am surprised to hear the hon. member say that in his municipality salaries have been as low as $150. I believe in Toronto our high school teachers are paid as much as $4,000.

I am glad to see that the minister is providing some money for universities, in connection with medicine and dentistry. I hope there may be some amendment. Probably the minister is going a little too far when he asks these students to get fifty per cent of their marks on their examination, on penalty of not being allowed to continue. There will be a great scarcity of doctors. And, by the way, I see a very fine doctor sitting over here, a university man, who graduated from the medical school of the university of Toronto. I can remember the hon. member's name, but I do not remember his seat. Sometimes I remember the seat, and do not remember the name. The late Minister of Justice had great difficulty in remembering the name of the constituency of the hon. member for Greenwood. He could not remember that it was Greenwood, but after the speech made by

the hon. member for Greenwood to-day, I am inclined to think there it not much "green" about it.

I do hope the minister will revise the provision with respect to universities, which states that only those who get fifty per cent or more of their marks can go back to school. Let us not forget that some of these young people have brothers at the front. These boys who are at school now are the junior members of their families, and many of them work all summer in order to get enough money to pay their school fees.

I agree with what has been said by the hon. member for Cape Breton South, and the hon. member for Winnipeg North Centre, with respect to low salaries. Some of those boys have to work hard to scrape up enough money to go to university. They are poor boys, from poor families, but they are most brilliant graduates. I know that the most brilliant graduates the university of Toronto has had from her school of science have had to work all summer to earn their fees. I hope something will be done to amend that regulation before it is too late.

I see my friend the hon. member for Trinity (Mr. Roebuck) who was at one time attorney general of Ontario. I believe the university of Toronto is dear to his heart. He knows about this condition, and I am just pointing out to the minister that there should be some revision in the university course by allowing these boys who have to work to earn their fees to pass their examinations without too great difficulty. Some of these boys have brothers and sisters engaged in war work; the fathers of some of them are at the front, and it is my hope that some amendment will be made. We need all these young engineers, young doctors and young dentists, and I do not see how they can complete their courses in the time allowed to them. It would be my hope that there might be some meeting arranged to look into this matter. The deputy minister, who has done a great deal for the universities, did, I understand, have a meeting with university officials. I hope he will see fit to revise this legislation before next fall.

I hope something may be done along the lines of a national coal supply. There may be some other "church" members here to-night. I notice the hon. member for Fort William (Mr. McIvor)—probably he is one—is going to take another pulpit, and probably will preach twice in one evening. But I think he has departed for this evening. I have no hymn to announce to close the prayer meeting, but I do want to say that if this is the bill-of-fare, then I do not see much in it for the average working man, when he comes home from war.

After all is said and done, the young men who come back from this war may never live normal lives again. Every day I receive letters from parents who have lost their sons. Just to-day I received half a dozen of them. These are young people who have been killed, young men of eighteen or nineteen years, who a year ago were going to high school. It is an awful thing to think about. To-day I was told about two young boys who were killed, and who had been going to McGill university in the fall of 1940 and 1941. Now they are killed. There have been about 860 from the high schools of my city alone.

I hope that when our men get back from the war we shall have something practical as a bill-of-fare to give them. I have dozens of them who come to see me every week-end. They are very much disappointed. I cannot tell them to whom they should go, because I do not know. We are not supposed to know where all those offices are. I hope the minister will see if this procedure cannot be simplified, with the cooperation of the provinces and the municipalities.

I had anticipated that the hon. member for Lake Centre (Mr. Diefenbaker) would have been ready to go on to-night.

Mr. ROSS (Souris): He is here, anyway.

Mr. CHURCH: But if he is not here I will call on the hon. member for West Kootenay (Mr. Esling).

I think my time is almost up, and I notice the attorney general is looking at me. I can only say this, that while I wish to give the government independent support, I must say that a great many mistakes are being made. Of course I know a great many mistakes will be made, but I do hope the minister will hearken to some of the handwriting on the wall before it is too late. I hope he will not be taking people out of jobs for which they are fitted, and put them to work chopping down trees. What good would we be at chopping down trees, except to get some new timber for a platform. That is all I can see in this chopping down of trees, when there is no pulpwood, and even the publisher of the Chicago *Tribune* will have to trim this log cutting and reduce the size of his paper if we go on in this way.

As I see it, there is no use in taking young people out of drug stores and grocery stores and sending them up to New Ontario to chop down trees. We know what we did before. I remember when the Grenadiers and the

Footguards and the Queen's Own marched across lake Superior at 44 degrees below zero—men taken out of stores, clerical people and the like, under the command of Colonel Dennison: they saved this country from disintigration, and not one red cent have they got from that day to this. I would add a reference to the fine battalion from Lunenburg, Nova Scotia; I saw them at the foot of Jarvis street when I was only knee-high. In those days there was a large number of public houses around the city hall, at the foot of Jarvis street, which distributed sandwiches and glasses of beer to the boys; but when the soldiers came back they never received any pay; that was the sort of treatment which was given to the veterans in those days. I hope that this time and in the days to come there will be a different way of treating those who serve the country; and I am not in favour of this idea of sending this class of people out to chop down trees.

Mr. GERSHAW: I wish to draw to the attention of the minister a few facts about those who are labouring with the sick in this country. Of about 11,000 doctors in Canada, some 4,000 have been inducted into war service, and this has made things very difficult for the remainder who are working with the civilians. Many of these doctors are overworked and cannot possibly attend to all who require their services, and in large districts there are no doctors at all. This is a serious situation, especially with the shortage of gasoline, tires and means of transportation. The action taken by national selective service in assigning some doctors who are in uniform to these rural districts and giving them support was a move in the right direction, and it should be extended, so that there will be less suffering through lack of medical care in the far distant areas of this country.

In the nursing and hospital situation there is also a shortage of assistance. I recently read, in the book entitled, "Canadian Hospitals," of April, 1944, that although there is a long waiting list of patients desiring to enter two sanatoria, 168 beds in those two hospitals are being kept idle because of a shortage of nurses and orderlies and assistants in those hospitals. That condition applies to other hospitals in the country, and it is a serious matter, because if a tubercular patient is kept out of hospital he or she is a serious menace, because of the nature of the disease, to those who are attending that patient. More than that, surgical procedure will often cut short the course of these diseases and hasten the recovery, and that surgical procedure can only be taken in well-equipped hospitals.

The nursing situation is, I think, particularly bad in some of the smaller hospitals. It is true that nurses who have retired, nurses who have married, who have given up their regular work, for the sake of the service have gone into hospitals and done excellent work, and I would pay tribute to those nurses who have volunteered in this time of great need. It may be true that some nursing sisters are holding back to work in private practice and possibly making good fees, but as a general rule the nurses have tried to do their best. There again, however, complaint is frequently made that hospitals cannot compete with military organizations in holding these nurses. I know the minister and the deputy minister have given this matter a good deal of attention, and I assure them it is an important problem and a great difficulty which is facing those who are managing hospitals and trying to carry on the work at the present time.

Mr. STIRLING: I invite the minister to bring the committee up to date with a report on the Doukhobors. A year ago we had the benefit of the report which the mounted police had made, which was brought down, I think, in the month of March, and attention was drawn to the state of affairs revealed therein, which was, I believe, that some thirteen hundred of them had not submitted for registration. Since that time, of course, others have reached the age of sixteen years and should have registered. I do not propose to make a statement this evening on the subject of the Doukhobors. I did so last year and the previous year, and I recollect that the minister in his reply, which was but short, suggested that if the matter were left in his hands for another six months he might be able to report on what progress he had been able to make.

I should like the minister to describe the position first with regard to Saskatchewan, how the registration has gone there, to what extent have the provisions of the National Resources Mobilization Act been carried out, and, in that those Doukhobors of the proper age for military service would not be subjected to military service but would have to be used in alternate employment, to what extent he has been able to have these men do alternative service, whether it has been necessary to institute prosecutions, and to what extent those prosecutions have been carried out.

I should like the minister to deal with the matter in that way if he would be good enough to do so, because from there on the story can be taken up in British Columbia. Unfortunately it is evident that these Doukhobors have been travelling from Saskatchewan and adding to the difficulties in British

Columbia. As the minister is well aware, there have been infractions of the law in British Columbia of recent times, and action has been taken to stop indecent parades and the like. To my mind, the real grievance that the people whom I represent have is that the law apparently is not being administered equally for the Canadian citizens and for the Doukhobors, and I shall be very much obliged if the minister will report on the situation and bring us up to date with information.

Mr. MITCHELL: My hon. friend mentioned Saskatchewan first. The situation there has been cleared up and the Doukhobors are complying with the law. In certain parts of Alberta the situation is not as good as it is in Saskatchewan and, as my hon. friend knows, in British Columbia the situation is difficult and always has been.

Mr. STIRLING: What does the minister mean when he says that the law is being adhered to in Saskatchewan? Take those who are of such an age that they would have to go into military service but for their peculiar views. Have they gone into alternate camps?

Mr. MITCHELL: Not necessarily camps but into alternate service. We have a diversification of alternate service. If a man is better fitted for agriculture that is where he goes.

Mr. STIRLING: And they receive $25 and the rest goes to the Red Cross.

Mr. MITCHELL: Yes, absolutely. In British Columbia, I am frank to admit, the situation is difficult; I would not be honest if I did not make that admission. It has been difficult for all governments since the Doukhobors came to Canada. Conferences are taking place between ourselves and the government of British Columbia in connection with the better observance of law and order among the Doukhobors in that province. The other evening I was talking to a large industrialist on the way from Montreal, and he indicated to me that the Doukhobors in this particular part of British Columbia were doing really good work at Brilliant, if I remember rightly.

Mr. GRAYDON: What kind of work?

Mr. MITCHELL: They are labourers.

Mr. GRAYDON: The pictures indicate that they are doing a strange kind of job.

Mr. MITCHELL: That might be true, too. It is very difficult. My hon. friend can rest assured that as far as humanly possible we are measuring up to the situation the best we know how, and I cannot go further.

Mr. STIRLING: Are prosecutions being carried out?

[Mr. Stirling.]

Mr. MITCHELL: Yes. Recently we have carried out prosecutions in British Columbia.

Mr. STIRLING: What has been the result of those?

Mr. MITCHELL: What my hon. friend referred to; that is what happened. That is the result of the prosecutions.

Mr. STIRLING: Is that their sole punishment?

Mr. MITCHELL: There have been some nude parades since the prosecutions.

Mr. STIRLING: Does the minister consider he has a sufficient police force to handle the situation?

Mr. ROEBUCK: That is not his department.

Mr. MITCHELL: Primarily the duty of enforcement is on the local authorities and then on the provincial authorities. We have not been requested to go and enforce the law. It is primarily the duty of the local authorities, then the provincial authorities, and if that cannot be done the federal authorities step in.

Mr. STIRLING: I do not want to question the minister's word with regard to that, but I gravely doubt whether that is the correct answer. I should like the Minister of Justice to tell us what the situation is. My information is that on a recent occasion the attorney general of British Columbia had the advantage of discussing the matter with him; I understand that the police force which should be called on for this matter is the mounted police, and the mounted police should have the assistance of the provincial police if it be necessary.

Mr. ST. LAURENT: There is no duty on the mounted police, as suggested by the hon. member for Yale. The administration of the province of British Columbia in that regard is under the jurisdiction of the attorney general. There was an occasion some weeks ago when difficulties were anticipated, and there were communications between the attorney general's officers and the commissioner of the Royal Canadian Mounted Police. It was arranged that a detachment would be ready to move into a certain locality if they were requested to do so, but fortunately that did not become necessary.

There have been prosecutions, from what I learn from the newspapers. There have been prosecutions for indecent exposure and several persons have been convicted. We had within the last few days a communication from the warden of the penitentiary, accompanied by

clippings announcing that there had been condemnations to the penitentiary of six women and some thirteen men, I think, and I am not in a position to state at this moment what has occurred since. Arrangements were made to transfer these women who had been condemned to the penitentiary to the only penitentiary for women that is maintained in Canada, and I am unable to say whether they are now on their way from British Columbia to that penitentiary or not. It was anticipated that there would have to be wardens and matrons to accompany them, and authority was given to the penitentiaries branch to make proper arrangements with a railway company to have a special car in which these prisoners, and those who would have to accompany them, would be sequestrated and might not mingle with others travelling on the same train. There had been some suggestion that they might be brought by air from British Columbia to the penitentiary for women, but after investigation it was found that this would not be practicable and the other method is the one that was authorized. But I am not at present able to say whether they have arrived or are on their way. There have been suggestions that very rigorous methods of enforcing the regulations against the whole of the Doukhobor population should be adopted. There are a great many cases, something over 18,000 reported cases throughout Canada, of failure to comply with the regulations.

Mr. GRAYDON: 18,000?

Mr. ST. LAURENT: Something over 18,000.

Mr. STIRLING: With regard to registration?

Mr. ST. LAURENT: Failures of every kind to comply with the regulations under the mobilization act. There are some failures to register, failures to comply with orders to report for medical examination, failures to report to camp after medical examination has been had, and so forth. The prosecutions are usually handled by the Royal Canadian Mounted Police. The usual procedure is for the registrars in the district when they have a file showing non-compliance with any one of the regulations to turn it over to the R.C.M.P. for investigation and prosecution if the investigation warrants prosecution.

Mr. STIRLING: That is exactly what I suggested, and I understood the minister to say that it was not the R.C.M.P. that carried out the prosecution.

Mr. ST. LAURENT: The Royal Canadian Mounted Police do make investigations. When the registrars turn the files over to the R.C.M.P. they do deal with them, but in respect of the Doukhobor the complaint, as I understand it, is that the first step has not been taken. The registrars have no files concerning them. What would have to be done would be to go through the province and check on the possession or non-possession of a registration card by each individual.

Mr. GRAYDON: The fact is they have none. Very few of them have registered. I suppose that is the case.

Mr. ST. LAURENT: I think a large majority of them have not registered at any time. The suggestion has been made that a sufficient force should be raised to make the investigations and to compel them to register. The commissioner of the R.C.M.P. was of the opinion that there were not large numbers who were not engaged in useful work and who would, in fact, be transferred to work other than that which they are performing at the present time, and that the number of men who would be required first of all to make the investigation and then to make the show of force that would have to be made to compel compliance would be out of proportion to the benefit that could be expected from any attempt to speed up what is being done.

Mr. STIRLING: If the minister would permit me, the difficulty that remains is that the Canadian boy is proceeded against if he does not register, does not carry out the necessities of the act, and the minister calmly says now that no good would result from dealing with the Doukhobor, and yet they live side by side in those communities with Canadians. I think it is absolutely unfair to the Canadian boy.

Mr. ST. LAURENT: The unfairness is not, I think, as apparent as the hon. member would suggest. I do not think there is any unfairness to anyone in having to comply with the regulations. In respect of those Doukhobors who are entitled to the benefit of the exceptional treatment provided by the orders in council under which they came to this country, may I say this? Under the terms of those orders in council they are not required to perform military services. Now quite wrongly they feel that any compliance with the mobilization act or with the statute requiring national registration would be a first step toward military service, and many of them refuse to take that step. The most that could be expected from them would be to get them into alternative service. The alternative service would probably have to be performed under conditions where their earnings would be more than the portion that they would be entitled to keep. That is the only benefit the

public would receive from the mobilization of the men required to enforce the regulation against them beyond the other feature of having everyone realize that he has to comply with the Canadian laws. That, I appreciate, is very important; but it was felt at this time that the R.C.M.P. could not afford the number of men that would be required to give special preference to the Doukhobor problem.

For several months the R.C.M.P. have had a large backlog of those files that have been coming forward in the normal way in the various registration divisions of the country. These are so numerous that they are not diminishing the outstanding number very rapidly. Some progress is being made in disposing of more cases than are coming forward from month to month, but there is still a substantial backlog. The R.C.M.P. have to deal with those because the files are turned over to them by the mobilization officers. The other feature would require quite a large corps to seek out those who have not even registered; and it has not been found possible to make that number of R.C.M.P. personnel available. When I said to the hon. member that it was not the responsibility of the R.C.M.P. to handle the Doukhobor problem, I was referring to the suppression of those disorders that have arisen in the district.

Mr. STIRLING: Oh, yes; that is another thing.

Mr. St. LAURENT: That is being handled by the provincial authorities, and there is this understanding: The R.C.M.P. are prepared to supply personnel from the localities where they can be spared, if and when required to do so by the attorney general of British Columbia.

Mr. STIRLING: The minister agrees, therefore, that in infractions of the regulations with regard to registration it is the R.C.M.P. who take action.

Mr. ST. LAURENT: It is the R.C.M.P. who are called upon by the registrars under the mobilization act when they have knowledge of an infraction.

Mr. STIRLING: Will the minister be good enough to say whether any of those 1,333, who were believed to be unregistered as a result of the report of the R.C.M.P., have since registered? Could he say that registrations are now going on particularly with regard to those who have become sixteen years of age and who are consequently subject to the registration since the time of this report and since the year 1940 when registration was put into force? In other words, could he tell the committee how many of these people in southern British Columbia have snapped their fingers at registration and have not registered?

Mr. MITCHELL: Some of them have registered, but I do not think a great number. I could not give the exact figures of those people who have snapped their fingers at the regulation, as my hon. friend has suggested.

Mr. STIRLING: No doubt thousands of them have not registered.

Mr. EVANS: Could the minister give us any information with regard to the bottleneck that has become apparent in packing plants throughout Canada consequent upon the transfer of labour from those plants to the farms? Live stock have become marketable; the yards are full and the packing plants cannot get the help to take care of them. It has been suggested that some of these men should be transferred back to the packing plants. Experienced men went back to the farms on April 1, and the bottleneck has been the consequence. Could the minister give us any information on that?

Mr. MITCHELL: My hon. friend is speaking of the packing situation generally across the country? Twice as many people are engaged in the packing industry to-day as there were in 1939. In the last season we put 4,000 additional people into the packing industry. I should like to say this about the packing industry: it is hard work, and requires men with strong backs and strong arms. I think we generally recognize that feature of it. What we did was we made possible the transfer of men from agriculture to the packing plants and so on. Many of these men were owners of farms, and when spring came along and it was time to seed, they went back to their farms. It has been said that some of them went back because they felt the special consideration given to agricultural workers under the mobilization regulations would be withdrawn if they stayed in the packing industry. We indicated clearly, and in fact instructions were sent to our officials in the field, that these men could stay in the packing industry and enjoy the same rights, if you call them rights, that were granted to agricultural workers generally. We appreciate that there is a shortage of labour in the packing industry at this time, but constant attention is being given the problem and it is no worse now than it was three months ago. It is this rush of cattle and hogs to the packing plants that has brought about the difficulty. I should like it clearly understood, however, that to-day we have twice as many people working in the

packing industry as we had in 1939, and that selective service has made possible the continuation of that industry on a much larger scale than was the case in the days of peace.

Mr. SENN: Is it not a fact that instead of a shortage of labour in the packing plants the abattoirs and freezers are so full that they cannot handle the meat which is being processed at the present time?

Mr. MITCHELL: I could not answer that question; I deal with the man-power end of it and do not know much about any other phases of the industry.

Mr. EVANS: I have had some correspondence from the west in regard to the backing up of hogs on the farms, and it is serious. When a hog reaches a certain weight it should be marketed. The information I had from Saskatchewan was that last week the stockyards were full of hogs, and that an embargo was imposed at some of the shipping points. It may be that we have twice as many employees in the packing plants as we had in 1939, but we are marketing more than twice as many hogs. The fact that many of these men left the plants on April 1 has put the farmers in the west in a serious position, as far as marketing their hogs is concerned.

Mr. MITCHELL: The situation in Calgary is that they want no more men there at all. In the other plants there is some difficulty at the moment, particularly at Edmonton. We did offer to move a certain number of Japanese into this industry, but I am given to understand that this offer was refused by the industry itself. In the very tight labour situation which exists to-day, sometimes we cannot be too choosy as to the labour we may employ. Everything it is humanly possible to do is being done to face up to the labour situation in the packing plants. At the present time we are passing through a seasonal period when, by the very nature of things, there is a movement of labour from industry back to agriculture, and I can only repeat that everything possible will be done to man the packing plants in western Canada.

Mr. KNOWLES: Would the minister mind turning to some figures that appear at page 799 of *Hansard?*

Mr. MITCHELL: Read the figures.

Mr. KNOWLES: I do not wish to read the figures; I wish to ask the minister whether he can bring them up to date. The simplest way of explaining the figures desired would be to ask the minister or his officials to refer to page 799 of *Hansard* for February 24 of this year.

Mr. MITCHELL: I do not think I can do that to-night; it is nearly eleven o'clock. If my hon. friend can give it to me across the floor now, or after the house adjourns, I shall be glad to do whatever I can to bring the information up to date.

Mr. KNOWLES: I am giving the information to the minister now; it will be in *Hansard,* and he can pick it up from there. The figures have to do with the total number registered at the employment and selective service offices, by provinces, under various categories, as set out at the page I have indicated. The figures given there were up to January 27 of this year, and cover the year previous, as at a number of specified dates. My question, which I take it the minister will answer on Monday, is whether he will bring these figures up to date as much as possible.

Mr. MITCHELL: The hon. member wants the latest figures?

Mr. KNOWLES: Yes.

Mr. ROSS (Souris): I should like to ask the minister a question which has to do with one or two other departments of the government as well. Agriculturists, especially in the west, are having great difficulty in obtaining farm machinery. We questioned the Minister of Munitions and Supply in regard to the material available and were told that the steel available now amounted to 291 per cent of the steel available in 1939. Then we had a report from the war expenditures committee to the effect that plenty of factory space is available in Canada. Therefore, it would seem that there must be a shortage of experienced labour. Would the minister tell us if he has had any demand lately for labour from the manufacturers of farm machinery, or what are the prospects of the farm implement factories obtaining sufficient labour to carry on, because the situation is much more serious now than at any time since the outbreak of war, and the prospects are that it will continue to be serious for many months to come.

Mr. MITCHELL: I think my hon. friend is referring more to what we call the malleable iron industry, the foundries; that is the bottleneck. There has been a considerable movement of unskilled labour to that industry, but

there is a considerable shortage of moulders, and there is nothing we can do about it. At the present time all the moulders are engaged in what might be called industries necessary for the production of war materials; but we are facing up to the problem and everything that can be done to move moulders into this industry will be done by selective service. It is a question of shortage of skilled labour.

Progress reported.

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

Monday, May 1, 1944

The house met at three o'clock.

BANK ACT AMENDMENT

CONDITIONS GOVERNING TEN-YEAR EXTENSION OF BANK CHARTERS

Hon. J. L. ILSLEY (Minister of Finance) moved for leave to introduce bill No. 91 respecting banks and banking.

He said: Mr. Speaker, I think I should give a very brief explanation on the first reading.

This bill is intended to constitute the basis of the decennial revision of the Bank Act. It extends the charters of the existing ten chartered banks for another ten-year period, in other words, until July 1, 1954. In addition, it provides for a great many changes in the present legislation governing the operations of the banks, their powers and the limitations and controls to which they are subject.

Several of these changes are not only important but complicated, and some of them tie in with other legislation to be introduced at this session. I intend to make an extended statement on second reading in order to give the house as clear and complete an explanation as possible of these changes, as well as of the philosophy and guiding principles with which we approached this revision of our banking legislation. At the present time all I will do is to call attention to the more important changes we are recommending.

These changes may be listed as follows:

(1) Changes regarding note issue, to be found in sections 60 and 61, taking away the right of a bank to issue or reissue notes in Canada after January 1, 1945, and providing for the complete retirement of such notes after January 1, 1950. Right to issue outside of Canada is limited to ten per cent of paid up capital, and there are a number of consequential provisions.

[Mr. Mitchell.]

(2) Various provisions making the Bank of Canada the exclusive agency for redemption of notes, both of defunct banks and, by 1950, of the existing banks.

(3) An amendment to section 92 to provide for transfer of unclaimed deposits, et cetera, and the liability to repay them, to the Bank of Canada—after ten years.

(4) Amendments to section 91, reducing the maximum rate of interest or discount which banks may charge from seven to six per cent, and allowing banks to make unsecured personal instalment loans on a basis equivalent to a five per cent discount for a one-year loan repayable in equal monthly instalments.

(5) Various amendments to make it possible for additional types of borrowers to get credit under section 88.

(6) Suggested amendments proposed for the consideration of the banking and commerce committee to simplify the complicated procedure now necessary in connection with section 88 loans.

(7) Various important amendments to sections 88 and 89 in order enable the banks to meet the special needs of farmers and fishermen, chiefly for intermediate credit. These provisions are to be, supplemented by other legislation, which I shall explain to the house on second reading of this bill.

Hon. R. B. HANSON (York-Sunbury): Mr. Speaker, can the minister state now when he proposes to move the second reading and make the extended statement to which he referred? I gather from what he said that the changes proposed in the Bank Act are numerous and important. I have not been permitted to examine a copy of the draft bill; I hope to be able to read it now. It is a bulky volume, and anybody who intends to give any study to this bill should be given time to do so, notwithstanding what is no doubt the desire on all sides to have the bill referred to the banking and commerce committee at as early a day as possible. But I suggest to the minister that twenty-four hours is not enough time, and we might arrange by consent that the second reading come up on Thursday, when he will make his statement, if that is convenient and satisfactory to the minister. Before the minister turns down that suggestion, I would point this out to him, if I have the consent of the house. We are now

entering on the fourth month of the session. This bill must have been in the minds of the administration for months before the house opened in January. Everybody knows that the Bank Act is revised every ten years, or, if it is not revised in the tenth year, the charters are extended for a very limited term. So that this bill must have been in preparation for a long time, and it is pretty late to be introducing it now. I am not complaining about that, because I imagine that the bill must have been revised and refined again and again; but I suggest that overnight is a pretty short time for hon members who are interested in this legislation to study the bill. I therefore ask the minister if he will be good enough to give the house assurance that before the second reading is called, before he makes his statement, hon. members will have an opportunity to read and study the bill, which we have not yet seen.

Mr. ILSLEY: Mr. Speaker, I was very anxious to make the statement on the second reading, at the same time that the bill was circulated, but I sounded out certain hon. members and learned that I could not get unanimous consent to that course; otherwise I should have liked to make the statement on the second reading to-day. I am most anxious to make it on the second reading to-morrow, and then the debate can be adjourned to such time as the house sees fit. This is far better from every point of view, because a fairly long speech will be necessary to explain the provisions of the bill to the house and to the country. My proposal, therefore, is that we take up second reading to-morrow, and the government will then consent to an adjournment if hon. members desire it.

Mr. HANSON (York-Sunbury): I do not suppose I have the right to say anything. On its face what the minister has said sounds like a very reasonable request, but I have learned from long experience in this house that government statements on bills are not always factual, that there is a great deal of propaganda about them, and for that reason I am rather suspicious of these statements. However, the minister is adamant and does not want to oblige me, and there is an end of it. I think we ought to have until Thursday to read this bill before we are asked to agree to the second reading.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk)

WHEAT ACREAGE REDUCTION—BONUS AND COST OF ADMINISTRATION

Mr. DOUGLAS (Weyburn):

1. What is the total amount paid in bonuses under the wheat acreage reduction scheme?
2. What was the total cost of administration?
3. What was the number of individual bonuses paid?
4. How many bonuses paid were, (a) under $100; (b) $100 to $500; (c) $500 to $1,000; (d) $1,000 to $2,000; (e) $3,000 to $5,000; (f) $5,000 to $10,000; (g) $10,000 to $50,000; (h) over $50,000?

Mr. GARDINER:

1. $84,558,162 (to January 31, 1944).
2. $2,459,975.77 (to January 31, 1944).
3. 1941, 181, 885; 1942, 179,033; 1943 (to January 31, 1944), 174,525.

4.	1941	1942	1943
(a)	71,960	108,743	84,569
(b)	99,178	67,420	84,345
(c)	9,040	2,540	5,002
(d)	1,599	327	599
(e)	100	3	8
(f)	5	—	2
(g)	3	—	—
(h)	—	—	—

In addition to the individual bonuses listed above payments in the following instances were amalgamated on claims submitted:

In 1941 a lump sum of over $50,000 was paid to a company which submitted 237 separate claims for farms on which they hired operators. The same company was paid between $10,000 and $50,000 on claims submitted for 208 farm units in 1943.

In 1941 payments between $5,000 and $10,000 were made in one instance where three claims were amalgamated and another where several farm unit claims were amalgamated and one payment made to cover all claims.

Again in 1943 one payment in the $5,000 to $10,000 class was made on five separate claims.

CERTIFIED SEED POTATOES

Mr. HATFIELD:

1. Were the growers of foundation A and foundation certified seed potatoes in the maritime provinces refused export permits?
2. If so, why?
3. Is the government considering any relief to cover their loss on this account?

Mr. GARDINER:

1. Permits were released freely practically all season for varieties in plentiful supply but

were withheld for certain varieties known to be in short supply to conserve such seed principally for the use of the seed potato growers in the maritimes.

2. A sharp increase in the percentage of fields disqualified for diseases has demonstrated the necessity of retaining more high grade seed for foundation purposes. Regulations governing the production of certified seed potatoes now require foundation or foundation A seed to be planted in all fields entered for inspection for seed purposes. The production of foundation grades of the two principal varieties produced in the maritimes, namely Irish Cobbler and Green Mountain, in 1943 were estimated as barely sufficient to plant the normal seed acreages of these varieties in the maritimes in 1944, therefore it was decided by the agricultural supplies board, on the recommendation of the science service, that no export permits be recommended for release for these varieties of foundation grades during the present season, except for those stocks in unsafe storages at harvest time and in danger of injury from frost.

3. No. See answers to 1 and 2.

FREIGHT SUBSIDIES ON WESTERN GRAINS

Mr. HATFIELD:

1. How many bushels of oats and other grains were shipped from western Canada to each of the maritime provinces during 1943 and 1944?

2. What was the amount of freight subsidy on the shipments to each of the maritime provinces?

Mr. GARDINER:

1. During the fiscal year 1942-43 the following quantities were shipped into each province (western grain and feeds):

	Wheat bus.	Oats bus.	Barley bus.	Rye bus.	Screenings tons	Millfeeds tons
New Brunswick	576,218	1,038,953	653,595	24,739	1,458	42,907
Nova Scotia	790,950	1,238,156	1,326,835	21,955	979	48,480
Prince Edward Island	336,666	297,647	351,696	3,811	188	10,867

During the fiscal year 1943-44 the following quantities were shipped into each province (western grain and feeds):

	Wheat bus.	Oats bus.	Barley bus.	Rye bus.	Screenings tons	Millfeeds tons
New Brunswick	799,546	1,548,218	1,171,800	6,846	683	44,430
Nova Scotia	1,309,716	1,651,376	1,490,700	1,685	420	49,049
Prince Edward Island	533,173	417,238	543,714	1,036	37	13,292

2.

	New Brunswick	Nova Scotia	Prince Edward Island
Fiscal year 1942-43	$717,697 50	$1,026,189 00	$285,064 80
Fiscal year 1943-44	928,005 00	1,236,521 70	406,105 00

BARRIEFIELD MILITARY TRAINING CENTRE—BILINGUAL SECTION

Mr. POULIOT:

What was the number of French-speaking men at A-21, C.O.C.T.C., Barriefield, when the bilingual section was, (a) established; (b) abolished?

Mr. MACDONALD (Halifax): No bilingual section at A-21, C.O.C.T.C., Barriefield, has been (a) established or (b) abolished.

As French speaking candidates arrive at A-21, C.O.C.T.C., they are posted to sub-units and given instruction in French by French speaking instructors. New French speaking sub-units are formed at each regular intake to this training centre.

[Mr. Gardiner.]

FREIGHT SUBSIDIES ON WESTERN BEEF

Mr. HATFIELD:

1. What was the amount of beef shipped from western Canada to each of the maritime provinces during 1943 and 1944?

2. What was the amount of freight subsidy on the shipments to each of the maritime provinces?

Mr. ABBOTT:

1. No information.

2. The accounts of the Commodity Prices Stabilization Corporation do not break down the amounts paid by way of freight subsidy on shipments of beef from the west according to the destination of such shipments. The total amounts paid by the Commodity Prices

Stabilization Corporation on movements of beef from the prairie provinces to destinations in the east are as follows:

1943	$257,086.16
To March 31, 1944	64,223.94
Total	$321,310.10

FREIGHT SUBSIDIES ON POTATOES

Mr. HATFIELD:

1. What amount of freight subsidy was paid on the shipment of potatoes from British Columbia to eastern Canada?

2. What amount of freight subsidy was paid on the shipment of potatoes from New Brunswick to Nova Scotia?

3. What amount of freight or other subsidies was paid on the grade one table potatoes imported from Maine or other United States points by the Wartime Food corporation during 1943 and 1944?

Mr. ABBOTT:

1. No freight or other subsidies were paid on British Columbia potatoes moved to eastern Canada. The potatoes were purchased by the Wartime Food corporation, f.o.b. Vancouver, at considerably below ceiling prices and were sold in eastern Canada at ceiling prices. The net trading loss incurred was $45,055.70 or 46 cents per 100 pounds.

2. $3,039.33.

3. No subsidy or trading loss of any kind was incurred.

RADIO BROADCASTING—"OF THINGS TO COME"

Mr. BENCE:

1. How many broadcasts have been given in the series "Things to Come", sponsored by the C.B.C.?

2. How many broadcasts in such series have yet to be given?

3. Have forum listening groups of citizens been organized to listen to these broadcasts and to report the results of their deliberations thereon?

4. If so, to whom are such reports made?

5. Are such reports made available to the federal government or any members thereof, and if so, in what manner?

6. Are such reports made available to anyone not directly connected with the organization of the C.B.C., and if so, to whom?

7. What is the purpose of obtaining such reports?

Mr. LaFLECHE:

1. 23.

2. 2.

3. The Canadian Association for Adult Education has organized listening groups.

4. To the Canadian Association for Adult Education.

5. No.

6. See answer No. 5.

7. The Canadian Association for Adult Education prepares provincial summaries of the views of listening groups on the topic discussed the preceding week. These four-minute summaries are broadcast regionally by the C.B.C. at the conclusion of each broadcast in the series.

LONGUEUIL MILITARY TRAINING CENTRE—CIVILIAN PHYSICIANS

Mr. RAYMOND:

1. What are the names of the civilian physicians who have been in charge of the examination of recruits at the Longueuil military training camp since the opening of the camp?

2. What time did each of such physicians devote to examining recruits, and what has been the total amount paid to each physician for his work since the opening of the camp?

Mr. MACDONALD (Halifax):

1 and 2. The following table shows the names of civilian physicians employed to examine recruits at Longueuil military camp from 4th April, 1943 (date at which camp was first used for medical examination of recruits) to 31st March, 1944, the number of days employed and the total amount paid to each physician.

	Days	Amount
Dr. E. Andrukaitis	18	$ 179
Dr. P. Archambault	257	2,492
Dr. H. Aubry	41	398
Dr. J. E. Bernier	191	1,852
Dr. G. Caisse	5	53
Dr. A. Carreau	273	2,648
Dr. L. Desrosiers	16	155
Dr. C. Favreau	3	29
Dr. R. Gariepy	½	5
Dr. A. Issenman	46	441
Dr. A. Kimpton	195	1,891
Dr. J. Kolber	65	635
Dr. R. Lachiliere	3	29
Dr. P. Lederer	2	19
Dr. L. Latrienne	11	106
Dr. C. Lippert	20	194
Dr. R. Lussier	1	14
Dr. H. Michaud	67	654
Dr. E. Maillaire	17	169
Dr. P. Potvin	16	160
Dr. P. Prendergast	268	2,599
Dr. J. E. Racicot	21	208
Dr. A. Roy	81	790
Dr. W. Runnells	118	1,149
Dr. J. T. Ryan	265	2,570
Dr. P. Salgado	29	281
Dr. S. S. Sperber	165	1,600
Dr. J. Thiboutot	4	38
Dr. S. Venne	24	232

REVISED EDITION

PRODUCTION OF POTABLE SPIRITS

Mr. AYLESWORTH:

How many proof gallons of potable spirits were produced in Canada in the months of, (a) January, 1944; (b) February, 1944, and (c) March, 1944?

Mr. GIBSON: While the excise division has a record of the number of proof gallons of spirits produced in Canada during each month, in so far as production is concerned, it does not differentiate between potable spirits and spirits used for industrial purposes.

INTERNATIONAL MONETARY FUND

Mr. STIRLING:

What nations participated in the discussions of experts on the establishment of an international monetary fund, recently tabled?

Mr. ST. LAURENT: The discussions between experts concerning the establishment of an international monetary fund have proceeded throughout on an informal and non-committal basis and no fixed procedure was followed. For the most part the conversations with the experts of the different United Nations took place in series of bilateral talks with experts of either the United Kingdom or United States treasuries. Canadian experts have had several direct discussions with experts of the United States treasury and on two occasions participated in conversations held in London between experts of all the British Commonwealth governments. Recently conversations took place between experts of the U.S.S.R. and the United States. In one or two instances discussions were held between larger groups. On one such occasion when Canadian experts participated experts of the following countries were present; Australia, Belgium, Brazil, Canada, China, Czechoslovakia, Ecuador, Egypt, France, Luxembourg, Netherlands, Norway, Paraguay, Phillipines, Poland, United Kingdom, United States and Venezuela.

DOMINION CURRENCY

Mr. HANSELL:

1. What is the total amount of paper currency media in use in Canada as at January 1, 1944?

2. What is the total amount of silver money in use in Canada as at January 1, 1944?

3. What was the total amount of money minted by the Royal Mint in Canada during 1943?

4. Does the government of Canada print any of its paper currency?

5. What firms printed paper currency for the chartered banks in 1944?

6. What firms printed paper currency for the Bank of Canada in 1944, and are copies of these contracts available to members of parliament?

[Mr. W. C. Macdonald.]

Mr. ABBOTT:

1. Bank of Canada notes in circulation		$874,395,312
Less: Bank of Canada notes held by chartered banks		122,900,254
Bank of Canada notes in hands of public		$751,495,058
Chartered bank notes in circulation		$ 43,118,373
Less: chartered bank notes held by other chartered banks		918,459
Chartered banks notes in hands of public		$ 42,199,914
Bank of Canada and chartered bank notes in hands of public		$793,694,972
2. Subsidiary coinage issued by mint less withdrawals:		
Silver	$51,009,046	
Nickel	4,826,033	
Tombac	1,407,425	
Bronze	6,300,627	
Total		$ 63,543,131
Less: subsidiary coinage held by Bank of Canada and chartered banks*		8,196,798
Subsidiary coinage in hands of public		$ 55,346,333

* Bank of Canada and chartered banks do not report details of subsidiary coinage held.

3. Silver—50 cents	$1,564,000	
25 cents	3,402,000	
10 cents	2,078,000	$ 7,044,000
Tombac—5 cents		1,238,000
Bronze—1 cent		881,300
		$ 9,163,300

4. The government does not issue any paper currency.

5. Not of official government record.

6. Reference to notes of the Bank of Canada will disclose that the notes are engraved by the Canadian Bank Note Company, Limited and the British American Bank Note Company, Limited. The contract covering the engraving of Bank of Canada notes is a matter of internal management of the Bank of Canada and is not of official government record.

MOBILIZATION ACT—POSTPONEMENTS IN QUEBEC MILITARY DISTRICT

Mr. POULIOT:

1. Since 1940, how many requests for leave or postponement of training have been submitted by the army to the Quebec mobilization board for soldiers or conscripts who were farmers, farmers' sons or farm helpers?

2. In how many of such cases did the said board, (a) recommend leave; (b) refuse to recommend leave?

Mr. MACDONALD (Halifax):

1 and 2. The army does not maintain records on the number of applications for leave referred to mobilization boards nor on the number of those recommended or not recommended by such boards. To ascertain this information it would be necessary to examine the personal file in the district records office of every soldier.

Application for postponement of training is made direct to mobilization boards by the individual concerned before his enrolment into the army.

MOBILIZATION ACT—POSTPONEMENTS OTHER THAN IN QUEBEC MILITARY DISTRICT

Mr. POULIOT:

1. Since 1940, how many requests for leave or postponement of training have been submitted by the army to the mobilization board of each of the military districts other than the military district of Quebec for soldiers or conscripts who were farmers, farmers' sons or farm helpers?

2. In how many of such cases did the said boards, (a) recommend a leave; (b) refuse to recommend leave?

Mr. MACDONALD (Halifax):

1 and 2. The army does not maintain records on the number of applications for leave referred to mobilization boards nor on the number of those recommended or not recommended by such boards. To ascertain this information it would be necessary to examine the personal file in the district records office of every soldier.

Application for postponement of training is made direct to mobilization boards by the individual concerned before his enrolment into the army.

TREASURY BOARD

Mr. FAIR:

1. What are the names of the members of the treasury board?

2. What are their duties and responsibilities?

Mr. ABBOTT:

1. Minister of Finance, chairman; minister of National Revenue; Minister of Justice; Minister of Trade and Commerce; Minister of Agriculture; Minister of Mines and and Resources.

2. Chapter 71 of the revised statutes of Canada states that "The treasury board shall act as a committee of the Kings Privy Council for Canada, on all matters relating to finance, revenue and expenditure, or public accounts, which are referred to it by the council, or to which the board thinks it necessary to call the attention of the council, and shall have power to require from any public department, board, officer, or other person, bound by law to furnish the same to the government, any account, return, statement, document, or information which the board deems requisite for the due performance of its duties."

QUESTIONS PASSED AS ORDERS FOR RETURNS

PICTOU, N.S., QUAY WALL AND WHARVES

Mr. BLACK (Cumberland):

1. How much money has been expended by the government on, (a) construction; (b) additions; (c) repairs and improvements to quay wall and wharves at Pictou, Nova Scotia, in each fiscal year since outbreak of present war?

2. Were such expenditures carried out by contract or by day work, stating amount paid for each project and to each contractor, and whether proposed work was completed?

3. Were any expenditures made by day work, and if so, state amount, and who was company and person in charge, and amount paid for each contract?

4. Is it proposed to make further improvements, and have public or private tenders been called within the past six months? If so, who were asked to tender, what was the amount of each tender, and to whom were contracts let?

MISS CLAIRE WALLACE

Mr. ROSS (Souris):

1. What department or departments of government is Miss Claire Wallace employed with?

2. What are her duties?

3. What salary is she now paid?

4. What expenses is she paid?

5. Does she broadcast over independent radio stations? If so, what does the government pay for this privilege?

MOTIONS FOR PAPERS

CANADIAN VICKERS LIMITED—PRODUCTION OF DOUGLAS D.C. 4

Mr. AYLESWORTH:

For a copy of any or all orders in council dealing with the proposed production in Canada of an all-Canadian plane to be used by the Trans-Canada Air Lines (Douglas D.C. 4); together with a copy of any agreements entered

into between the Trans-Canada Air Lines or any other person acting for the government and Canadian Vickers Limited of Montreal.

Also a statement disclosing the complete financial interests of the government of Canada in Canadian Vickers Limited, together with copies of documents setting out the terms and conditions for the operation of the plant at Montreal on behalf of the government.

SUBSIDIES ON POTATOES

Mr. HANSON (York-Sunbury):

For a copy of all claims made for subsidy on new potatoes produced in the province of New Brunswick together with all correspondence connected therewith, exchanged between the Commodity Prices Stabilization Corporation and all others relating in any way to payment of same between August 1, 1943, and the present time.

Mr. HANSON (York-Sunbury): I wonder whether it would be agreeable to the Minister of Finance, or whatever minister has charge of the commodity prices stabilization board, if there could be included the correspondence as to the potatoes produced not only in New Brunswick but in the two other maritime provinces as well. If that is too large an order I am content to let it go through as it stands, but the question has arisen with regard to the payments of subsidy in Nova Scotia. If the minister would allow me to amend the motion, I should like it to include Nova Scotia, at least.

Mr. ILSLEY: I have to take exception to the motion as a whole, whether as amended or not. The principle which has always been observed with regard to subsidy payments is that information as to subsidies paid on recent or current business is not revealed, on two or three grounds which I have stated. One of these grounds is that it reveals to competitors of the recipient of the subsidy the nature and volume of the business that he does. I am quite content, if any hon. member requests information as to whether a particular dealer or person has received a subsidy, to see that that is answered yes or no, and also to give information as to the principle on which the subsidy is paid to him. But to go further and give particulars as to the claims made as to subsidy or the actual amounts of the subsidies themselves to individual recipients, especially on recent business, which this is, would be contrary to the principles which have been laid down with regard to the production of information, and I have to take the ground that it is not in the public interest to give that information.

Mr. HANSON (York-Sunbury): If I may be permitted, I should like to answer the minister. In the first place this was a temporary subsidy; it expired last summer. In the second place, I can tell the minister from the information I have that a good many thousands of dollars were improperly paid and that it was due to an interpretation of the regulations. If he refuses to bring down the information, we are entitled to draw any inference we like from that position. But this is public money, some paid out properly, some of it, in my opinion, paid out improperly, and we ought to know what the papers are and what the position is. I just happen to know that an attempt was made to get back some of this money and it failed after an opinion had been given by the Department of Justice that on a strict construction of the regulations the money could not be recovered in a court of law; nevertheless a substantial sum was paid out to producers and dealers, because the market price of potatoes did not exceed the ceiling price, whereas this was intended to take care of production in case the market price did exceed the ceiling price, to provide for the difference between the two. My information is that at no time in the Montreal market did the market price exceed the ceiling price—

Some hon. MEMBERS: Order.

Mr. HANSON (York-Sunbury): —and yet—

Mr. SPEAKER: Order.

Mr. HANSON (York-Sunbury): I beg your pardon, Mr. Speaker, I did not observe Your Honour on your feet.

Mr. SPEAKER: The hon. member will realize that this is not a debatable motion.

Mr. HANSON (York-Sunbury): I have said all I want to say anyway.

Mr. ILSLEY: Mr. Speaker—

Mr. HANSON (York-Sunbury): If this is not debatable the minister has no right to speak.

Mr. ILSLEY: I cannot allow charges like that to go by—

Mr. HANSON (York-Sunbury): Give us the information, then.

Some hon. MEMBERS: Order.

Mr. ILSLEY: Let the hon. gentleman state the name of the person to whom subsidies were improperly paid.

Mr. HANSON (York-Sunbury): That is the old gag; it is the old bluff. Ask Mr. Hector McKinnon, he knows.

Motion dropped.

SUBSIDIES ON FEED GRAINS

Mr. BURTON:

For a copy of all correspondence and reports by government inspectors covering the shipping points of Totzke and Bremen, Saskatchewan, in connection with the payment of subsidies on the sale of feed grains for the period from November 1, 1943, to date.

Mr. MACKINNON (Edmonton West): The Canadian wheat board pays no subsidies on the sale of feed grain. On the delivery of oats and barley, advance equalization payments of ten and fifteen cents respectively are paid. These payments arise from the equalization fund provided for by order in council P.C. 8898 of November 18, 1943. When western oats and barley are exported from Canada an equalization fee may be charged and these fees are accumulated in a fund and paid out to the commercial marketers of these grains. If the hon. member for Humboldt cares to speak to me about this I think I can help him with the information I believe he is seeking.

Motion dropped.

STEVENSON FIELD, WINNIPEG

Mr. KNOWLES:

For a copy of plans prepared by the Department of Transport with reference to the enlarging of Stevenson field, at Winnipeg, as referred to by the Minister of Munitions and Supply, on page 2264 of *Hansard* for April 21, 1944.

Mr. HOWE: Return tabled.

CAPE TORMENTINE-P.E.I. STEAMSHIP SERVICE

Mr. BLACK (Cumberland:

For a copy of the contract entered into by the government for the construction of a ferry steamer to operate between Cape Tormentine and Prince Edward Island; also copy of contract or sub-contract for diesel oil engine and equipment to operate same.

Mr. MICHAUD: Return tabled.

AERONAUTICS ACT

CIVIL AVIATION AND COMMERCIAL AIR SERVICES—AIR TRANSPORT BOARD

Hon. C. D. HOWE (Minister of Munitions and Supply) 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 Aeronautics Act to provide for the establishment of an air transport board to perform the functions of a licensing and regulatory body in respect of commercial air services and to advise the minister on matters connected therewith. Provision will be made by the said measure for the payment for services of the members of the board and the employment of necessary officers, clerks and employees.

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.

NAVAL SERVICE

LOSS OF H.M.C.S. "ATHABASKAN" IN THE ENGLISH CHANNEL

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): I should like to make an inquiry of the Minister of National Defence for Naval Services, notice of which I have given him.

We all read with mingled feelings of pride, admiration and sorrow of the naval action which was fought in the English channel off the French coast in the early hours of last Saturday morning. It was with pride that we learned that His Majesty's Canadian Ship *Athabaskan* fought back, and gave as good as she got until she was split in two by an enemy torpedo, and sank.

Our admiration was roused by the brave unselfishness of Lieutenant Commander Stubbs, D.S.O., of Victoria, B.C., who gallantly chose to risk death himself in order to save the crew of the *Athabaskan's* sister ship, H.M.C.S. *Haida*, which later exacted quick revenge by driving one of the German destroyers ashore in flames. Coupled with the name of Lieutenant Commander Stubbs must be mentioned Commander H. G. De Wolf, of the Royal Canadian Navy, of Halifax, commander of the *Haida*, whose coolness and daring was responsible for the rescue of many of the *Athabaskan's* crew. I have learned since that on the *Haida* was the son of the late lamented Hugh B. McKinnon, who was such an honoured member of the present House of Commons.

Canadian people heard with sorrow in their hearts the news of the brave lads who lost their lives in this further bright page in the valorous narrative of our new but powerful navy, of which every citizen in Canada is so justly proud.

I have taken the liberty of making these observations as a preliminary to a question which I desire to direct to the Minister of National Defence for Naval Services. Is the minister in a position, within the limits of security, to give the house any further details of this action beyond those which have appeared up to the present in the press?

Hon. ANGUS L. MACDONALD (Minister of National Defence for Naval Services): Mr. Speaker, I thank my hon. friend the leader of the opposition for his references, which I am sure are concurred in by every hon. member of this house. Certainly I myself share most genuinely his pride in the conduct of the *Athabaskan's* officers and men and his sorrow for those who have given their lives.

We do not know and we shall not know for some time how many men have been lost and how many have been made prisoners of war. The direct question which my hon. friend put to me as to further details of the action beyond those which have appeared already in the press is one that perhaps I cannot answer properly at the moment, because I am not sure that I have anything to add to what has already been given to the public either in the press or on the radio. I can however give to the house a summary of the dispatches received at naval service headquarters.

During an offensive sweep in the English channel early on Saturday, April 29, 1944, light forces of the Royal Canadian Navy encountered two enemy destroyers of the *Elbing* class in the vicinity of the Ile de Vierge near Ushant. The Canadian ships were: His Majesty's Canadian Ship *Haida,* under Commander H. G. de Wolf, R.C.N., and His Majesty's Canadian Ship *Athabaskan,* under Lieutenant-Commander J. H. Stubbs, D.S.O., R.C.N. Our ships immediately opened fire, to which the enemy replied with heavy and accurate fire. The *Athabaskan* was hit twice by shells, but continued firing until she was struck by an enemy torpedo and sunk.

Repeated hits were obtained by our ships on the enemy, and one of the enemy ships was driven ashore in flames. The remaining enemy destroyer escaped in the smoke and darkness. The action was continued to within close distance of enemy-occupied territory.

As to survivors: One officer and thirteen ratings, whose injuries are not serious, are at present in the Royal Naval hospital, Plymouth, England. Six ratings, whose injuries are also not considered to be serious, are in the West Cornwall hospital, Penzance, Cornwall, England. One rating, slightly injured, is in the Royal Naval barracks, Devenport, England. Twenty-five ratings are also in the Royal Naval barracks at Devenport. That makes a total of forty-six of the *Athabaskan* complement that we know to be in England. Of that number one officer and thirty-nine ratings were picked up by the Canadian ship *Haida,* and the remaining six ratings made their way to the south coast of England in a motor boat dropped by the *Haida* before leaving the scene. The *Haida* dropped other boats and rafts. It is reported by the German radio that eighty-five prisoners, including six officers, were taken from the water and are now in German hands.

The next-of-kin of casualties are being informed as soon as possible. I am glad to say that there were no casualties whatever in the Canadian ship *Haida,* which returned safely to port.

Mr. COLDWELL: We associate ourselves with the remarks of the leader of the opposition. Does the procedure that has been followed in this case mean that a new policy has been adopted and that the loss of ships and so on will be announced before the relatives have been informed as to casualties? I am sure we all sympathize with the relatives of the men in their period of anxiety and uncertainty. I thought the policy was that the announcement of losses would be made after the relatives had been notified of casualties. It seems to me that is the policy that should be pursued. When I heard the announcement on the air at noon yesterday I felt much disturbed because of the anxiety that I knew would prevail in a large number of Canadian homes.

Mr. MACDONALD (Kingston City): Yes, Mr. Speaker, the policy has been and still is to inform the next of kin of any casualties before any public announcement is made. But in this case, as I am sure many hon. members of the house know, announcements began to come over the German radio as early as Saturday to the effect that they had sunk a ship and that they had a certain number of prisoners; consequently it was felt that the only thing that could be done here and in Britain was that an announcement should be made by ourselves, giving such information as we had, meagre and sketchy though it might be. Furthermore, as to these men who are prisoners of war, my hon. friend will realize that it will be some time before those names are available. Often it takes as long as three months for this government to be informed of the identity of war prisoners. As my hon. friend undoubtedly knows, this information comes from the Red Cross. It would be necessary for us to make some announcement before the end of three months in any event, and our announcement would consequently have to be made before we had full particulars as to survivors.

SUGAR

RATIONING—UNITED STATES ALLOTMENT FOR CANNING PURPOSES—FRUIT JAR RINGS

On the orders of the day:

Hon. J. L. ILSLEY (Minister of Finance): The hon. member for Lethbridge (Mr. Blackmore) asked me on Friday to make a state-

ment on the difference between the amount of sugar allowed for home canning in the United States and in Canada.

I understand that in the United States consumers may apply to their local ration boards for an allowance of twenty-five pounds per person for canning purposes. In Canada this year consumers will be entitled to obtain ten pounds of sugar for canning purposes by special coupons issued for that purpose. In addition twenty-six preserve coupons will be available each of which can be used either for the purchase of one-half pound of sugar or varying quantities of sweet spreads or canned fruit. It is possible therefore for a Canadian housewife wishing to put up her own preserves to obtain a maximum of twenty-three pounds of sugar for canning purposes in respect of each member of her household in addition to the ordinary weekly ration.

I want to make it clear that whereas in the United States the twenty-five pound allowance is granted only on application, in Canada application will not be necessary all consumers being entitled to the same amount of sugar for canning purposes.

Mr. BLACKMORE: Could the minister tell us whether or not there is any limit on the amount of sugar which can be used for preserves, jams and jellies in the United States in addition to the twenty-five pounds?

Mr. ILSLEY: I cannot tell the hon. member.

Mr. BLACKMORE: I think it will be found there is no limit.

Mr. GRAYDON: May I bring to the attention of the Minister of Finance, and also of the Minister of Munitions and Supply, a matter which is related to the one just mentioned? It may seem like a small matter, but it apparently is a big issue with the housewives of Canada, because many organizations have sent word to me asking me to plead the case in the house. I have not had an opportunity to do it and I would not do it now except that the matter has been mentioned by the minister. Apparently the quality of the fruit jar rings used in preserving last year was such that a great deal of loss resulted. Will the government consider that matter? I make no apology for bringing it to the attention of the government because of the pleas that those organizations have made to me.

Mr. ILSLEY: I shall take note of the representation. I do not know that there is anything I can do about it, but I shall see if I can do something.

Mr. GRAYDON: It seems too bad if because of the quality of the rings some of the sugar now allotted for canning purposes should be lost by those who are making use of it.

Mr. BLACKMORE: Will the minister tell us some time soon whether or not there is a limit placed on the amount of sugar available in the United States for jams, jellies and preserves? If there is not, it makes a tremendous difference. I believe the minister said there were twenty-three pounds available in Canada for canning and for all kinds of preserves. There are twenty-five pounds available in the United States for canning purposes, and, as I understand it, there is no limit on the amount for jams, et cetera. If that is so, obviously there is a great deal of difference between the amount of sugar available in the United States and in Canada.

WAR APPROPRIATION BILL

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

The house resumed from Friday, April 28, consideration in committee of a resolution to grant to His Majesty certain sums of money for the carrying out of measures consequent upon the existence of a state of war—Mr. Ilsley—Mr. Bradette in the chair.

DEPARTMENT OF LABOUR

National selective service programme, $11,002,429.

Mr. DIEFENBAKER: With regard to the address of the minister on Friday last, I wish to accept his summing up, as found on page 2447 of *Hansard,* of the task of selective service during the coming months. He said that the major task of the selective service system over the next few months will be:

> First, to provide the required men for the armed services; second, to meet the labour needs of agriculture; third, to place in employment men discharged from the armed forces; fourth, to meet, as they develop, the urgent needs of certain key industries; fifth, to place men laid off as a result of changes in munition production schedules as quickly and efficiently as possible.

At the outset I wish to commend the Minister of Labour for the very full report he has given. His courtesy and willingness to furnish information deserve the highest praise. With some of the statistics he has given us I am not in agreement, but I do appreciate, as I am sure the committee does, the fact that the Minister of Labour is always willing to place before the house and the country the situation as he sees it. He claims that selective service

has been very successful, but with that point of view I am not in complete agreement. I believe that the work being done by selective service in placing the men returning from overseas and those discharged in Canada has been most successful.

In that regard, I should like to ascertain what machinery has been set up to assist in the demobilization of the armed forces, and to assure them of work. What about the men who since the beginning of the war have been employed in war plants that are to be shut down? What about the men who joined the armed forces from munitions plants that will be closed down when they return from overseas? What provision will be made to assure these men of employment? What about the thirty thousand men who were not employed before they joined the armed services? The British government has announced its plan, under which the order of demobilization will depend upon age and length of service, with preference of course being given to service overseas. The local employment office here in Ottawa has done a particularly good job in a survey it made with a view to ascertaining whether jobs will be available when the war is over, and the order in which those jobs will become available. According to the information I have been given, the Ottawa employment office made a survey of 57·8 per cent of all war-time A and B priority industries in this area in order to ascertain how the industrial structure has been changed and whether after the war the demand and supply in connection with workers will be near balance. They found that as far as A priority industries are concerned, 6·6 per cent of the men will be released immediately upon termination of the war contracts; 37 per cent will be released one month later, 45 per cent three months later and 40 per cent six months later. In other words a vast army of men will be discharged from class A industries within a period of six months after the termination of their war contracts. So far as B priority industries are concerned, 2·4 per cent of the men will be released on the termination of war contracts, 3·7 per cent one month later, 4·7 per cent three months later and 6·5 per cent six months later. This means that hundreds of thousands of men and women now employed in A and B priority industries will be released within a few months after the end of the war. What about the employment of these people? I understand a survey has been made by the industrial mobilization survey board for the purpose of ascertaining how many positions will be available, and how many men can be combed out of industry for military service. I think we should have a report by the minister on the result of that survey. How many men may expect to be combed out of industry within the next sixty days under the findings arrived at by this organization?

There can be no disagreement in this house, of course, with the commendation expressed by the minister of the men and women in the armed services, and I am sure hon. members in all parts of the house will concur in his remarks concerning the contribution to the war effort made by the women of Canada. We have 235,000 women in industry, in addition to thousands in the armed forces and the hundreds of thousands in their own households, engaged in patriotic work and doing their part in sacrifice and service.

Now, however, I come to a phase in connection with which there is some disagreement. I accept as a premise in connection with the operation of selective service, and I do not think it can be denied, that the foundation of unity in Canada depends upon equality of sacrifice and equality under the law without regard to any outside considerations whatsoever. We have declared for total war, but total war is impossible unless there is full partnership between our citizens, both military and civilian; and there can be no unity in this country unless there is a willingness and determination on the part of our citizens to serve equally in this war effort. Canadian citizenship is meaningless unless it implies a single standard of duty and responsibility everywhere in this dominion. I accept that as a principle upon which the organization of the war effort of this dominion must take place. To-day we have heard of another instance of gallantry and sacrifice on the part of those who served on the warship that was lost, and greater tests are ahead. The war now enters a period during which stern and ruthless determination must characterize the efforts of all the united nations.

So, Mr. Chairman, I suggest that at a time like this we must have effective administration of national selective service in order to support the men in the forces and to gear up our production in all its phases, agricultural, industrial, mining and forestry. I find it difficult to understand why, after all the declarations that have been made, civilian industries not directly necessary in the war effort still continue to employ many thousands of men and women. I selected a number of these industries indiscriminately with a view to placing the matter before the government, in order to indicate that in this country we have various civilian industries employing more men than they employed before the war began, from which man-power has not been combed. I remember reading an article by

Mr. Dexter in April, 1943, in which he dealt with these various industries. The inquiry he then put was, as to why should there be such numbers engaged in civilian industries not directly necessary in the war effort? I now place the various statistics on the record:

Industry	Index numbers of employment (1926=100) Dec. 1, 1938	Dec. 1, 1939	Dec. 1, 1943
Furs	96·5	114·2	125·6
Furniture	88·4	91·6	110·2
Musical instruments	50·3	56·2	33·8
Personal services (laundries, etc.)	141·4	142·3	197·6
Retail trade	147·8	151·8	181·8
Wholesale trade	119·7	125·9	139·4

I might add that the number of employees in the fur industry stood at 2,336 in 1938, 2,765 in 1939, and 3,040 in 1943. And so I can go through the record showing that since 1939 there has been, in civilian industry, a material increase in the number of employees—with one exception, namely, musical instruments—in spite of the fact that within the last year some seven orders have been passed requiring compulsory transfer from non-essential to essential industry.

The man-power situation in general is in a precarious position to-day in this country. This is admitted by Mr. MacNamara himself, in an interview given in the *Financial Post* of April 29, 1944. It is pointed out there that the situation generally is most serious; 15,000 men a month are required for the armed services, and have been since December of 1943, according to the information contained in "Canada At War."

Mr. HOMUTH: For the home army.

Mr. DIEFENBAKER: Civilian production goods are not being reduced. Canada still goes on with increasing civilian production. I have the figures here which, because of my limited time, I cannot put all on the record. They show a tremendous increase, to the extent of hundreds of millions of dollars, in civilian requirements in Canada. The total sales of all departments of Canadian department stores in 1938 was $280,799,000; in 1939 it was $291,593,000 and in 1940 it was $326,696,000. In 1943 the sales were $417,495,000. In other words, civilian production is continuing to increase over what it was before the war, and has not been decreased in order to meet the demands of the army and the services.

In base metals, lumbering and agriculture there is a shortage of man-power. There has been a considerable transfer of men from Quebec to Ontario to work in industry. All these factors point to one thing that the problem of man-power is the outstanding problem of 1944. It is the problem upon the solution of which the war effort of this nation will either continue or diminish. It is the problem upon the solution of which price control must depend; for a balance must be secured between production of civilian goods, sufficient partly to meet the demand, and the production necessary to the war effort. Underproduction of lumber, base metals and coal will lower war production. That is the problem we face, and none is of greater importance at this time.

The minister has pointed out, and properly so, that a great organization has been set up. Many laws have been passed and many regulations have been promulgated. But, Mr. Chairman laws and regulations will not prove effective unless they are effectively enforced. I wish particularly to refer to the failure on the part of the government to enforce the law to the end that man-power shall be adequate for the armed services as well as for agriculture, transportation and industry in general. The problem, as we all admit, consists in assurance of reinforcements, assurance of food production, and assurance of the necessary supplies for the munitions of war. The Prime Minister enunciated the policy of the government on March 24, 1942, in these words:

> Compulsion will be applied without fear or favour, wherever in the opinion of the government its use will aid in the achievement of a maximum war effort.

That was the promise. To-day we have a record of the performance.

I repeat that the keystone of unity upon which this country must be built is that of equality of service. I do not blame the minister for the present condition of affairs; for I do not think he has received the co-operation of the other members of the cabinet to the end that there should be equality of service. I pointed out a year ago that unless the regulations were uniformly applied, antagonism would be built up. I suggested the setting up of an appeal board to the end that from the Atlantic to the Pacific there should be uniformity of application of the law of selective service.

We come now to a period when the man-power situation is serious. We were given a great many statistics the other day in connection with this matter. But, Mr. Chairman, there is no statistician who can analyse the figures on man-power which have been laid before this parliament and the country. The figures given as of January, 1943, were full and complete. We analysed that statement; so they changed the set-up and detail. During

the 1943 session various returns were brought down, all based upon dissimilar hypotheses, all based upon different foundations.

Mr. HANSON (York-Sunbury): And none of them agreeing.

Mr. DIEFENBAKER: They could not be expected to agree. In 1944, at this session, the same procedure is followed—one type of return, then another, then a third, but all so arranged that unless one devoted many years to a study of them it would be impossible to analyse the figures.

Mr. MITCHELL: We answered the questions as asked by the hon. member. Naturally it changes from day to day, as the hon. member must realize.

Mr. HANSON (York-Sunbury): Oh yes, but obliquely.

Mr. DIEFENBAKER: I have taken the trouble to put some of these statement side by side, and the answers given were so oblique that one does not fit with the other at all.

Mr. MITCHELL: My hon. friend admitted he was not a statistician.

Mr. HANSON (York-Sunbury): He did not say that; he said no statistician could do the job.

Mr. GRAYDON: He is in good company, if he is not.

Mr. DIEFENBAKER: The minister says I am not a statistician. This information is not to be given to statisticians, or was not for statisticians. It is to be given to the people of Canada, so that they may understand the situation.

To pass on to something else, in spite of this difficulty in securing men, unemployment continues to rise. The number of men required at the present time for priority industry, according to a statement made by the Minister of Munitions and Supply the other day, is 71,092. In the month of February, 1944, there were 12,284 claims for unemployment insurance, as compared with 4,822 a year ago. In this fifth year of war, with selective service operating under the largest organization it has ever had, with hundreds of offices and thousands of employees, there was paid out in the month of February $301,390 for 158,455 days of unemployment—to men who were previously employed but who were not employed during that month. All of which indicates, Mr. Chairman, that this organization, tremendous in scope, large in number, comprehensive in so far as regulation is concerned, is not operating in such a way as to bring together employers and those who want work.

[Mr. Diefenbaker.]

Mr. McNIVEN: Is not that men and women?

Mr. DIEFENBAKER: That may be perfectly true.

Mr. McNIVEN: And only a temporary condition.

Mr. DIEFENBAKER: Well, the minister could not say that, because the record shows that the number of 11,500 unemployed in the month of January increased by some 500 in the month of February. There was nothing temporary about that.

Mr. MITCHELL: I will say it is temporary.

Mr. DIEFENBAKER: Furthermore, at a time when we are short of men, when men are required, for instance, in the pulpwood industry, and the Department of Labour allowed 3,500 men to go to the United States, and the period during which they may remain in the United States has been extended beyond April 1, 1944.

Mr. HANSON (York-Sunbury): And is indefinite.

Mr. DIEFENBAKER: It has been made indefinite. If ever there was a time when it was necessary to take out pulpwood and to assure the press of this country of its fair and proper share of paper, it is now. Yet, on the one hand, the government admits having a shortage of man-pawer in the woods; so short indeed is that man-power that they have to take in Japanese and prisoners of war. On the other hand they allow 3,500 men to be sent across the line into the United States.

Here, then, is the situation: For 1944, 96,000 men are required for the armed services; 72,000 men are required for industry; men are required in the woods to cut pulpwood, where our production was 200,000,000 feet less than it should have been last year, and yet 3,500 trained men are given permission to leave Canada and cross into the United States to help in the war effort of that nation.

I come to the next question, the administration of the call-up. I want to speak as dispassionately as I can on this subject. The minister has stated that this year the number of delinquents is only some 49,000, and that the position has improved very much as a result of what has been done during the last year. Well, I have the various reports regarding the call-ups under N.R.M.A. before me, and I placed them together in order to see what the picture is. I have taken the returns which were brought down to the house; I have taken the various issues of "Canada at War"; and they, together with the answers to questions that have been asked in regard to

man-power, are evidence of the practice of mathematical sleight-of-hand in order to secure credit for the government.

"Canada at War" shows that there is no equal enforcement of the law across Canada. I said that before, and I am not going to go into it in detail again; for no attempt has ever been made by the government to deny it. But I will repeat that in this country to-day there is a spread, with respect to call-ups and voluntary enlistments, of from 9·8 per cent of the male population between the ages of eighteen and forty-five to 42·7 per cent in the Toronto district, which according to the latest returns has the highest record, followed by Victoria, Halifax and Saint John.

What of the record of enforcement? I shall refer to return 142E, brought down on April 27 in answer to certain questions I asked. I refer also to what the minister said at page 4039 of *Hansard* of June 23, 1943. As a result I find that in this country a great legion of men between eighteen and forty-five years of age have disappeared without a trace. The minister said that only 49,001 are now unaccounted for, as compared with 67,674 a year ago. But that favourable statement is not borne out by the records. The records on this question cannot be balanced, and in many cases they show a fictional disregard of the actual facts. Take the return I mentioned a moment ago. It shows that the number of men called up was 1,449,417, and that the number who reported was 979,569. That means that 469,848 are unaccounted for, less 71,545, who, according to return 142A, enlisted on receipt of the order. There is still a balance of some 390,000 missing men.

Mr. HANSON (York-Sunbury): That is the lost army of Canada.

Mr. DIEFENBAKER: And the serious part of it is that this number is increasing. Last year the explanation given for this tremendous spread was that the machinery was not in operation. The statement given by the minister a year ago showed that 998,475 had been called up and that 608,642 had reported. Last year, as of June 23, 379,833 were unaccounted for. Deducting the numbers of those who must have enlisted, we find that there has been an increase within the past eight months of approximately 60,000 in the number of men unaccounted for.

Mr. HANSON (York-Sunbury): Four divisions.

Mr. DIEFENBAKER: Where are the men of this lost legion?

Mr. ROSS (Souris): In the bush, like the government.

Mr. DIEFENBAKER: The figures seem like an intentional jumble of inconsistency. Where is this army of the vanished—the unfound—the undiscovered? I want the minister to explain that, and not by statements such as he made before, that no doubt some volunteered and got into the army and some went into the merchant marine.

Mr. HOMUTH: Where are the records to show it?

Mr. DIEFENBAKER: They say they have their records, and very detailed records, to-day. All we ask is that they account for approximately 360,000 missing men. A year ago they said that the reason for inequality in the call-up was that in some provinces the number of fit men was higher than in others. But however good that explanation may have been, the statistics I have given have nothing at all to do with the state of health of the men. They show the number of men called up for medical examination and the number who reported for medical examination.

But that is not the end of the picture; it is just the beginning. We have lost about 360,000 now. Then military training orders went out, no doubt on the instructions of the Minister of National Defence, to the various military districts. These are to be found in return No. 142A, showing the number of military training orders sent out to January 31. They lost 300,000; then they sent out 433,453 orders for military training; and again what happened? There were 220,762 reported; and again there is a disappearance of 19,857 between the time the military order was sent out and the time the men reported, less the number of postponements.

Mr. HANSON (York-Sunbury): Took to the woods.

Mr. DIEFENBAKER: There has been as yet no endeavour to answer that, as there was no serious endeavour to answer the charge I made last year, and repeated, that there is no equality of call in the various provinces.

Next, not only is there no equality in call for training, but there is no equality in the call for medical examination. Let me refer again to the return which I mentioned. The number called for medical examination to January 31, 1944 was 1,449,417. The number called up to June 23 last was 988,000. In other words, 469,942 have been called up for medical examination since June 23, 1943—

Mr. HANSON (York-Sunbury): To January.

Mr. DIEFENBAKER: Up to the 31st of January, as the hon. member for York-Sunbury says. Here is how they called them up. They called up a total from the various military districts of the number I have given. In Quebec military district, division F, they called up 8·6 per cent of the total population, or, in that period of time, only 8,724 out of some 460,000 men. I would like an explanation of why so few calls for medical examination were sent out in this district. The proper number on an equal percentage basis would be 39,000. I am giving the picture with regard to the unfairness of the call-up and the vast army which wanders about this dominion, free of any serious threat of prosecution. The total number of men found has been 22,000, at $2.50 per head. I say without fear of contradiction, after reading the records of the United States of America, of Great Britain, of New Zealand and of Australia, that the record as to call-up in this country reveals an appalling condition of default and disobedience unknown anywhere else among countries having any system of military call-up. It shows that either the departmental statistics are wrong—and they cannot be wrong, because they have been checked and cross-checked, and we have been assured of their correctness—or the enforcement is all wrong, and that is the conclusion to which any reasonable person must come under the circumstances. It shows that political expediency dictates the policy of the state and paralysis results.

Mr. MITCHELL: My hon. friend speaks of political expediency dictating the policy. Let me say without fear of contradiction that as far as my department is concerned there is no political expediency.

Mr. HOMUTH: Does the minister say that for the government?

Mr. DIEFENBAKER: I ask the minister to explain the reason for this. Where are these men? Why the break-down in the prosecutional facilities? Why the necessity, with police forces everywhere, to call in the credit agencies, the Associated Credit Bureaus and the Hooper firm, in order to find these men, the records regarding whom are in the possession of the government and have been since national registration? I repeat that none of the countries to which I made reference—and I have the statistics here—can show such an appalling record of default and disobedience in the administration of man-power as can this country. Three hundred and fifty thousand is the minimum that have gone; 22,000 have been picked up by the credit agencies; and the total number of prosecutions has been 4,214. What about penalties? Promises of immunity were made, and a few thousand turned up. Prosecutions—a paltry one or one and a half per cent—have taken place; and now the employers are called in and asked to cooperate with the government to ensure that those who are in default shall be identified and brought forth to the light of day.

Mr. HANSON (York-Sunbury): Using employers as a club.

Mr. DIEFENBAKER: What of the penalties? They are an invitation to disobedience of the man-power regulations of this country. I have here return No. 142, dated January 28, 1944, which was brought down in answer to a series of questions by the hon. member for Red Deer. What does it show? The question is asked: What was the average fine imposed in each administrative division, and what was the average gaol sentence imposed? The answer is that the average fine runs as follows, by administrative divisions: A. London, $25; B, Toronto, $105; C, Kingston, $50; D, Port Arthur, no fines, always a gaol sentence; E, Montreal, $25; F, Quebec, $21; G. Halifax, $25; H. Saint John, $22; I, Charlottetown, no report; J. Winnipeg, $25; K. Vancouver, $50; M. Regina, $50; N. Edmonton, $75. In default of payment of the fines the gaol sentences run from twenty-one days to ten months.

I suggest that the realization by defaulters that, if they are picked up, they will not be penalized beyond a small monetary payment, is an encouragement to default. How much more money a man can make in two weeks outside the army than if he is in the army, knowing that if he is caught and fined the penalty will be only a matter of twenty-five dollars or thereabouts.

The number of prosecutions is ridiculously out of line with the number of offences committed. The record with regard to conscientious objectors shows that there were 8,600 registered. No one has any objection whatever to conscientious objectors receiving the consideration that every British country grants them, and I would say that in Saskatchewan and in the western provinces there are large bodies of Mennonites who came to Canada in the period from 1873 on, to whom I pay my tribute. These people's sons have played a remarkable part in the armed forces of the country. The Mennonites came here believing that it was wrong to participate in war, and yet to-day, if you look at the daily casualty lists, you will find records of young men.

professing the Mennonite faith revealing deeds of gallantry which have won them decorations in the service of their country.

As regards the Doukhobors, the minister says that everything is fine in Saskatchewan, but I intend to ask him a few questions about them. How many of the Doukhobors in Saskatchewan are doing their alternative service on their own farms? Under the regulations as they originally stood, a conscientious objector was required to go to an alternative service camp and to stay there for the period of the war or engage in other alternative service. Well, the Doukhobors in Saskatchewan decided that they were not going to any alternative camp for the rest of the war; they just said that they were not going. A number of them were prosecuted, and then an arrangement was made between the Department of National War Services and the leaders of the Doukhobors whereby they were promised that if they would go to a park and stay there for three months in the summer time—

Mr. HANSON (York-Sunbury): On vacation.

Mr. DIEFENBAKER: Well, in as fine surroundings as any person in a summer tent ever enjoys, at the end of three months they were free for the rest of the war. That promise was made and carried out, and the minister says that everything is all right in Saskatchewan.

The CHAIRMAN: The hon. member has spoken for forty minutes.

Mr. MITCHELL: Does my hon. friend want another five minutes? I enjoy listening to him.

Mr. DIEFENBAKER: Let me finish this one subject. May I?

An hon. MEMBER: He has spoken for forty minutes.

Mr. MITCHELL: First of all I want to thank my hon. friend for his very kindly references to the Department of Labour. Of course I appreciate the fact that he has had a difficult job in building up a case.

Mr. HANSON (York-Sunbury): No trouble; anybody could do it.

Mr. MITCHELL: My hon. friend, if he is ever fortunate, or perhaps unfortunate enough to be a minister of the crown—

Mr. HOMUTH: No question about that; he will be.

Mr. MITCHELL: Let my hon. friend speak for himself. Goodness knows the hon. member for Waterloo South (Mr. Homuth) has tried hard enough with many political parties.

Mr. HOMUTH: Had I been a minister I would have quit my job before I would let them make a mess of my department the way they did with yours.

Mr. MITCHELL: When my hon. friend talks about statistics, he will understand that it will be necessary for him to have a statistical branch of his department. When I took over the Department of Labour I saw to it that we expanded and developed the statistical branch of the department. I will endeavour as far as I can to answer my hon. friend's questions one by one, following the sequence in which he spoke this afternoon.

Mr. HANSON (York-Sunbury): You would not tell us first about the lost legion, would you?

Mr. MITCHELL: I will do that too, if my hon. friend from the good old province of New Brunswick can be patient. With regard to demobilization, as I have said before, I am not one of those members who think that this war is over—not by a long way.

Mr. BRUCE: Neither do we.

Mr. MITCHELL: I think that first things should come first. First of all we have to defeat Hitler and the people in the Pacific. That is the primary job confronting this house and the people of Canada.

Mr. HANSON (York-Sunbury): That is why we want the lost legion.

Mr. MITCHELL: As I say, first things should come first. The hon. member for Lake Centre spoke of demobilization. We have a special committee of the Department of Labour dealing with the question of demobilization, and associated therewith, of course, is the Department of Pensions and National Health. I do not know, however, nor do I think any member of this house knows, what kind of world we shall live in when the war is over.

Mr. HANSON (York-Sunbury): You ought to ask Paul Martin.

Mr. MITCHELL: You can put all these things down on paper, and we have done a great deal of that; we have a good many plans under consideration at the present time; but until we know what kind of country, or rather what kind of world—not so much the country

as the world—we shall live in when the war is over, our plans and all the rest of it will be of no avail.

I have a vivid recollection of what I wanted most when I was going through the last war, and I have no doubt other hon. members had the same experience. I took the position, as did thousands of others, and I am sure the hon. member for Cape Breton South (Mr. Gillis) also took that position, that we were concerned not so much about plans as about getting back into civilian life. The British government has taken the same view, and we have to a certain extent, with regard to the gradual demobilization of the armed forces.

It is difficult to expect young men after the war to stay in the services when the war is over. At least I am speaking as an individual. Be that as it may, the department is continually surveying the dominion from the standpoint of a change-over in industry and labour requirements at that time.

My hon. friend spoke of civilian consumption. I think he will agree with me that it was only logical and inevitable that with the increase in the tempo of employment the consumptive ability of the Canadian people—I am speaking of civilian goods—would increase, comparing conditions in 1939 with those that exist to-day. Just over a week ago I was in Philadelphia and New York and I saw something of the vast mass consumption of the people in those two great communities—much greater than our own, may I say. I have always held the opinion that war in its very essence demanded sacrifice. I have always felt that there should be regard for those conditions on the home front. I wish to say to my hon. friend that I do not take second place to any nation of the united nations, except Great Britain, as far as the machinery of selective service is concerned. Do not forget that in Great Britain they have the compelling force of the blitz, which we have not in this country. That may have something to do with the demand for consumption on the part of the people in this country. It is one thing to be in the immediate shadow of war and another thing to be three thousand miles away from it.

Mr. HANSON (York-Sunbury): What the minister is saying is that we have not the war fervour here that they have over there?

Mr. MITCHELL: My hon. friend will agree with me that if the enemy were knocking at the gates of Quebec, or if the enemy were in Burrard inlet in British Columbia, there might be a different outlook toward the prosecution of the war from that which is expressed in certain quarters in this country. I mean, that is a practical thing; you have to recognize it.

Mr. HANSON (York-Sunbury): That is true enough.

Mr. MITCHELL: My hon. friend spoke of the laundries. Of course there has been an expansion in laundries. There are tens of thousands of men in the armed forces of Canada whose clothes are kept clean by the ordinary commercial laundries of the country. It is a little bit different from what it was when I was in the navy. We then had to wash our own clothes.

Mr. NOSEWORTHY: They have two shirts now to keep clean; we had one in the last war.

Mr. MITCHELL: We were lucky to have one in the last war—and I do not say that to cast any reflection on the good fellows who are fighting this war, either. In connection with these civilian undertakings may I say that we have moved tens of thousands of women into them. As I said the other day, had it not been for the women in Great Britain and in Canada—and possibly in the United States, but they can speak for themselves—I do not think we could have reached the point in this war that we have reached to-day.

My hon. friend quoted figures from the unemployment insurance commission to show the amount of unemployment in Canada. That I think is a very unstable position to take. In a seasonal country like Canada, where you get inevitable changes from season to season, unemployment conditions, by the very nature of things, particularly in the construction trade, vary. You get those pockets of unemployment that we have experienced in the last six months. May I say also that we are not alone in that regard. Our good friends to the south of us have experienced the same condition, and notwithstanding the magnitude of the organization in Great Britain they are more or less in the same position.

My hon. friend talked about conscientious objectors. I thought we had that section of the administration fairly well organized. There is this to be said when you compare the position to-day with conditions two years ago. At the moment those conscientious objectors are engaged in productive employment. I am not offering any criticism of what went on before. You take those leaps in the dark; you try a thing, and if it does not work you try something else. That is inevitable under our form of government. I am frank to admit

that the old policy of having all the conscientious objectors in camps has been changed and changed considerably. We felt, in view of the shortage of man-power, in agriculture particularly, that those men would be far better off engaged in that important undertaking in our national life than they would be working in those camps in the Rocky mountains. My hon. friend said they would be very nice places in which to spend a holiday. I agree with him.

Mr. DIEFENBAKER: The minister spoke about parks.

Mr. MITCHELL: I should like to spend next summer in the parks, but I shall have to sit and listen to my hon. friends day in and day out.

Mr. HANSON (York-Sunbury): The minister adopted a policy of appeasement. That is what this government always does.

Mr. MITCHELL: Let me say this to my hon. friend; there was no adoption of a policy of appeasement. We did the practical and sensible thing.

Mr. HANSON (York-Sunbury): You forgave them. You said, "Go home and be good boys".

Mr. MITCHELL: We made the maximum earning power of those conscientious objectors $25 a month. Any amount in excess of that was paid over to the Red Cross. While I have not the figures in front of me at the moment, I think over the first eight months' period of that policy those people made a contribution of about one quarter of a million dollars to the Red Cross society in the Dominion of Canada. I think that is a constructive way to move in that regard. I think it is far better to have a man on a farm doing something that he understands, that he has been brought up to do, than to have him waste his time in some camp in the parks of this country. I have had some experience with those camps.

My hon. friend spoke about figures. I do not think he said we cooked the figures, but the implication was there. I do not want to take him too harshly to task on that, but I think that observation might be made in reverse, and I say that in a kindly way. I mean the figures my hon. friend quoted were all staggered.

Mr. DIEFENBAKER: They were the minister's figures.

Mr. MITCHELL: Of course they were, but they were for different times and different conditions. I am not the keeper of the members of this committee when they sit down with a pencil and a piece of paper and try to write out a question. I have tried it myself. I know how difficult it is sometimes to try to catch the minister.

Mr. MACKENZIE (Vancouver Centre): It was far easier in our time.

Mr. MITCHELL: Yes. I think the hon. member will agree with me when I say this: while he quoted figures to suit himself, figures probably emanating from my department—and I am not being critical about that—I can see how his mind would be confused when he was trying to plead a bad case. I say to the hon. member that I will stand by the figures in table No. 7 which I submitted when I spoke on Friday. They are up-to-date figures and are from reliable sources.

My hon. friend from New Brunswick talks about the lost battalion. I know it looks nice on *Hansard*.

Mr. HANSON (York-Sunbury): The lost legion.

Mr. MITCHELL: Nevertheless it is not true, and he knows it.

Mr. HANSON (York-Sunbury): Pretty nearly true, and the country knows it.

Mr. MITCHELL: My hon. friend is trying to convince the country of something that does not exist.

Mr. HANSON (York-Sunbury): That is all right; the minister will see when he goes out to meet the country.

The CHAIRMAN: Order.

Mr. MITCHELL: I think I should say something about prosecutions. I am not responsible for prosecuting or adjudicating a case that comes before some judicial tribunal in this country. I am not responsible for that. That is in the hands of the courts.

Mr. HANSON (York-Sunbury): The minister has left out a very important matter, namely, the allocation of the call-ups. Why the low percentage in one place and the very high percentage in another?

Mr. MITCHELL: If my hon. friend will wait, I will come to that.

Mr. HANSON (York-Sunbury): Don't forget it. It is important; that is all.

Mr. MITCHELL: As my hon. friend for Lake Centre knows, I have not reached the stage where I would give direction to the courts of this country when a case comes before them. They adjudicate those cases in a manner which I think has been to the credit of the British people. I speak of "British people" in the broad sense. The hon.

member for York-Sunbury has asked: Why the difference in the approach to the different military districts? I am frank to admit that there are no two military districts alike. Some military districts are largely rural in their make-up; some are largely industrial. I think it is a fair observation to say that up to now the great mass of recruiting in this dominion, speaking now of the call-ups, has been in the more industrialized or urban communities of the country.

Mr. HANSON (York-Sunbury): The volunteers came from Prince Edward Island and the rural parts of New Brunswick.

Mr. MITCHELL: If my hon. friend will wait a moment, I think I made that clear; they have come more largely from the urban centres. The hon. member for Lake Centre raised the question of using these private agencies for tracing people. On Friday I gave him an approximate figure; the actual number of these men to date is 25,670. I would use any agency to trace a missing individual whom I thought owed an obligation to the state. In a vast country like Canada the police force necessary to do this work would have to be so large as to be almost beyond the imagination of most hon. members, and would create a great strain on the man-power of this country. If these people can be located through the simple device of using an agency, it is much more economical; and, if it answers the same purpose, I think it is a sound policy to pursue. That is all I have to say in that regard. I have endeavoured to answer all the points raised by my good friend from Lake Centre, and if he has any others in mind I should be glad to endeavour to answer them as well.

Mr. HANSON (York-Sunbury): You had better revise your opinion when you look over *Hansard* to-morrow.

Mr. KNOWLES: The item before us deals with a sum of money to provide for the national selective service programme, one of the functions of which is to make certain that all of Canada's available man-power will be utilized in the national interest. In this connection I should like to refer to one particular group of men in the city of Winnipeg who have gone back to work. I refer to men over sixty-five years of age who were formerly employed by the Canadian Pacific Railway company in the Weston shops, who have been given extensions and have gone back to work in order to assist in all-out production. Naturally among men of that advanced age only those physically able to return to work are so employed, which focuses attention on the fact that many other men of the same age and circumstances have not been able to accept extensions for further employment, and find themselves in a difficult position because of the fact that in many cases no pension is available to them. This raises a question of labour relations which I should like to draw as forcibly as I can to the attention of the minister and the government in the hope that it may be given serious consideration.

As from January 1, 1937, the Canadian Pacific Railway company instituted a new pension scheme for its employees on a contributory basis, as distinct from the non-contributory plan which had been in existence for many years. Into that new plan was written a provision which has created a serious problem for many men, the effects of which are now being felt. I refer to section 8(a) of the rules of that pension plan, which reads in part as follows:

> Only those employees of the company shall be eligible for pension whose names are entered on its staff records, whose last entry into its service has or shall have occurred before attaining the age of forty years—

When this new plan was set up in 1937 the employees of the Canadian Pacific Railway company, at the Weston shops and elsewhere in Winnipeg, realized what it would mean a few years hence and, as I say, the effects of this plan now are being felt very keenly by hundreds of employees. To go for a moment into the background of this situation, I would remind the minister that in 1919 a serious strike occurred in the city of Winnipeg, in which many thousands of men participated. Of those who went out during the course of that strike, four thousand were employees of the Canadian Pacific Railway. When the railway company instituted this new pension plan it ruled that employees who had been out of work during the course of that strike should be regarded as having terminated their employment. In other words, no matter for how many years prior to 1919 these men might have worked for the company, their employment was dated as of the date of their return in that year. When this new plan was first studied by the men affected it was found that there were still in the employ of the Canadian Pacific Railway at Winnipeg, in 1937, 2,500 men whose employment had been interrupted during the strike of 1919. Of these some 2,100, when they returned to work in 1919, were still under the age of forty; in other words it was their right, when the new plan came into effect in 1937, to become participants in that plan since they were under the age limit prescribed when they returned to work. However, many of these 2,100 men had put in quite a number of years of service prior to 1919, so that even in their case the benefits of those years of service

have been lost under the new pension plan. The other four hundred who were still in the employ of the company in 1937 were men who had been over forty years of age when they returned to work in 1919, so when the new plan came into effect they were denied the right to enter into it or participate in any pension scheme whatsoever. Hon. members will recognize at once that as a result many men who have given twenty, thirty or forty years of their lives in the service of the company in Winnipeg, upon retirement at the age of sixty-five are not eligible to receive pensions from the company.

As hon. gentlemen will expect, this matter was carefully considered by the unions affected, and in due course in 1937 they took it up with their general chairmen. Later a subcommittee of these general chairmen took the matter up with the president of the Canadian Pacific Railway Company, the late Sir Edward Beatty. The matter was under consideration from, roughly, December, 1937, until well into 1939. The last conference between the subcommittee of the general chairmen and the officials of the Canadian Pacific Railway Company took place on July 3, 1939. On October 18 of that year the subcommittee reported on their efforts to the unions affected, and I should like to quote briefly from the report given at that time. This is from the report of the subcommittee of the general chairmen back to the unions affected:

> After going very carefully into the matter at issue it was stated by Mr. Coleman that, apart altogether from the fact that the strikes in question were in violation of the law of the land, viz., the Industrial Disputes Investigation Act, and were further unauthorized by the organizations now making a plea on behalf of these men—many of whom had gone on strike after the recognized representatives of the unions had advised against such action—the company was now being asked to find more than $1,250,000 in addition to the amount already required to meet normal expenditures for pension purposes. He made it very clear that the earnings of the company made such a task quite impossible, and regretted very much that, in such circumstances, he had to deny the request of the committee.

Further in this same report I find this:

> We have kept in close touch with this matter over a considerable period of time, always encouraged by the hope that sufficient improvement might take place in the financial condition of the company as to enable us to realize a firm conviction which we have always held that, in such improved conditions at least, some relief might be forthcoming.

Later I find the general chairmen saying this:

> We are still of the unanimous view that, had the financial conditions of the company been different, we would have made progress.

I have read those quotations to emphasize what appeared to be the view of the committee which met the officials of the Canadian Pacific Railway Company, namely, that the chief obstacle so far as the company was concerned was the expense involved in meeting the request of the men. It will be noted that the official concerned, Mr. Coleman, stated there were two matters involved, first, that the strike in 1919 had—

The CHAIRMAN: The hon. member will realize that we are discussing an item having to do with national selective service, and I do not think what the hon. member is saying comes under the present item. I believe the discussion might more properly be had when the civil estimates of the Department of Labour are before the committee. I cannot see any connection between what the hon. member is saying and the item now before the committee.

Mr. KNOWLES: As I have already tried to indicate, this is a matter affecting men employed and others laid off at the present time, including men who are being retired from time to time. My contention is that this is a matter of labour relations, one which is very much to the fore in these days, and closely connected with the carrying out of our war effort. It is a matter which in my opinion should now be discussed. Further, unless the discussion may now continue when we are dealing with general matters connected with labour relations, I do not know where it might take place. My submission is that we have not before us a schedule of items but rather a resolution on the war appropriation measure. For the sake of convenience we have consented to discuss items in committee as they come along, and in view of our having agreed to that arrangement we should be given the privilege of dealing with matters such as this, which seem to us to be related to the problem before us.

The CHAIRMAN: The only objection I would have is that it is repetitious. I have sat as chairman of the committee at nearly all committee sittings, and the greatest complaint would seem to be that there is repetition, day after day. If there were not that repetition the same objection might not be lodged.

Mr. KNOWLES: So far as I know this matter has not been raised before and I do not see how the suggestion of repetition is involved. It seems to me I should be permitted to continue, because this is a matter of great concern. I believe I should be allowed to proceed under the general heading of labour relations in time of war.

I should like to emphasize that Mr. Coleman's reply to these men was twofold; first, that in his view the strike was illegal, and second, that from the standpoint of the company the money could not be found to finance the pensions these men were requesting. In reply to the argument that the strike was illegal I would point out that the Canadian Pacific Railway Company is the only large employer in Winnipeg which, so far as a programme of pensions is concerned, still takes cognizance of the 1919 strike. The Canadian National Railways were in the picture at the time. Later on they likewise instituted a new pension scheme, dating I believe from January 1, 1935; but no discrimination is levelled against any employees of that company who were out in 1919, as has happened in the case of the employees of the Canadian Pacific Railway Company. The same holds true with respect to the dominion government. It took back its postal employees and other government employees in Winnipeg, and did not cut into their pension rights at all because of the events of that year. The same is true of the Manitoba provincial government, and of the city of Winnipeg, having special reference to the police of that city who were out during the course of the strike. It seems to me the commendable attitude all these other large employers have taken, including the dominion government itself, both as a government and through its connection with the Canadian National Railways, is the best answer to that argument.

The suggestion that the strike was illegal implies that the company feel that they lost money as a result thereof. Actually that is not so. There had been built up, through the fact that these men would have qualified for a pension on a non-contributory basis, had they stayed on, an equity which in fact was theirs. The company says it would cost them $1,200,000 to pay that equity to these men. It is admitting that it has made $1,200,000 out of the strike whereas, as I have already pointed out, other large employers have not taken advantage of their men in that way.

Answering the argument that the company cannot afford to pay these pensions, first of all I emphasize the fact that these men had an equity which belonged to them in the period prior to 1919. In connection with every wage negotiation which took place during that period, when the men were seeking higher wages, the company always pointed to the non-contributory pension plan as a factor which should be taken into consideration. In other words it assumed there was an equity under the former plan which belonged to the men.

[Mr. Knowles.]

I would point out, too, that the Canadian Pacific Railway Company have had a great deal given to them by way of land grants, grants of money and tax exemptions right across this country, and that they have a responsibility not only to individual employees, such as those on behalf of whom I speak, but to the community as a whole.

I well remember during the depression years of the thirties, because I was living in Weston at the time in the home of an employee of the company, how these men agreed to a reduction in the number of their working days to as few as ten a month in order that there might be a minimum of actual lay-offs in the Weston shops. I would point out that the men by accepting this course and thus avoiding widespread lay-offs saved money for the taxpayers of the country and also saved the Canadian Pacific Railway Company from demands that would undoubtedly have been made upon it to provide funds to keep these men going had they been laid off.

There is one other point that should be emphasized when the company is insisting that it cannot pay these pensions, and that is to be found in the financial reports which the company has been making in the last two or three years. I find that the net railway earnings of the company in 1941, for example, were $45,957,536; in 1942, the net railway earnings were $48,187,689, and in 1943, $49,211,567. After making certain deductions and adjustments which appear in the figures listed in the company's own reports which I have before me, the Canadian Pacific Railway Company was still able in 1943 to add $37,939,936 to its profit and loss account, with the result that at the end of 1943 the credit balance in its profit and loss account was $239,190,419. I suggest that in the face of those figures the argument that the company cannot afford to pay the pensions which belong to these men is utterly ridiculous.

I have before me the details of a number of these cases. I shall not take time to go into them but I should like a few minutes to tell the story of one employee of the company, the file on whose case I have in my hand.

This employee entered the service of the company in 1912 and was with the company until 1942, a total of thirty years. In 1923 he had an accident while at work and lost a leg. In 1942, when he was 64 years and 3 months of age, his health became so poor that it was impossible for him to continue at work, and so the company wrote him a nice letter giving him leave of absence because of his illness, without pay. Nine months later he received another letter telling

him that now he was sixty-five years of age he would be retired. But of course there was no pension because this employee was out of the service for a time in 1919.

When this employee wrote to the company and asked for consideration in view of his distress and his need, the reply that was sent to him, and which I have before me, said that the company were sorry but that nothing could be done under the rules as they stood, and the company were also very sorry that the man's health was such that he could not avail himself of an extension and go back to work, and keep himself alive in that way. Hon. members will see the position in which that man was put. He gave thirty years of his life; he gave a leg; he gave his health to the company, and all the company had to say in return was: We are sorry your health does not permit you to carry on and work beyond the age of sixty-five and thus keep yourself alive. And that at a time when the company is making the profits which I have already indicated.

These men, as I have already said, have taken this matter up repeatedly through their unions and through the chairmen of their organizations, and they have also endeavoured to take the matter up as individuals with the officials of the company. A short while ago, when Mr. Coleman was passing through Winnipeg, one of these men wrote him a personal letter stating the position in which he found himself and stating that others were in the same circumstances. He wrote this, in part, to Mr. Coleman:

> While we are aware of the failure of our general chairmen on this question, we think that the case might be placed in a more appealing way by some of the men affected. Hoping, sir, that you will pardon our presumption and grant us this privilege. . . .

In reply to this letter from an individual, Mr. Coleman under date of July 3, 1942, said in part:

> I was in charge of western lines at the time of the 1919 strike and am familiar with all the circumstances, and conducted the negotiations with the labour representatives. I have never felt that there was any injustice involved in the decisions then made.

I emphasize to the committee, Mr. Chairman, that the decisions made by the Canadian Pacific were wholly at variance with the decisions made by the Canadian National, the dominion government, the provincial government and the city of Winnipeg. I am satisfied that in Winnipeg to-day, despite the feelings of the past about the 1919 strike, all would agree that this matter should be reconsidered and that these men should be given their pensions. Mr. Coleman went on to say:

> There would, therefore, be no advantage in having a discussion with me. If there are any special circumstances surrounding your case, which may have been overlooked, I suggest that you communicate with Mr. Mather.
>
> Regretting that I am unable to write you in more encouraging terms, I remain,
>
> Yours very truly,
>
> D. C. Coleman,
> President.

All of this, as matters now stand, apparently seems to be under the complete control of the Canadian Pacific Railway Company. The unions and their general chairmen have done their best in the matter, but the company has turned them down. I suggest that the argument that the company could not finance the pensions for these men, even if it had any merit years ago when it was made to the general chairmen, certainly has no validity to-day.

In addition to these efforts by the general chairmen, the individuals themselves have made efforts such as those to which I have just referred, but without avail.

We are forced back to the terms of the Railway Act, by which the Canadian Pacific Railway Company and other railways apparently were given power to set up their own pension schemes without having to submit them to review by the federal government. The appropriate section of the Railway Act is section 122, which reads in part as follows:

> The directors may make by-laws or pass resolutions, from time to time, not inconsistent with law, for
>
> (c) the retirement of such of said officers and servants, on such terms as to an annual allowance or otherwise, as in each case the directors, in the interest of the company's service, and under the circumstances, consider just and reasonable.

I submit, Mr. Chairman, that if it is necessary for the government to submit an amendment to the Railway Act in order to take care of this matter, the government should give consideration to such a course. If, on the other hand, it can be taken care of as a matter of labour relations where improvement is necessary for the war effort, I hope that the Minister of Labour will look into the matter. The section of the Railway Act which I have just quoted seems to have given the entire say over to the company. In other words, the employees concerned, who give their health and their lives in the manner I have indicated have no redress through their government, through the people whom they democratically elect to represent them.

I would urge that the government take this matter under consideration in an effort to see whether something cannot be done for these men. Whatever the views may have been about the 1919 strike; whatever ideas with respect to pensions and social legislation may have prevailed in those days, we are living now in a different era, when the country as a whole feels that working men are entitled to a proper share of the wealth they produce, and entitled in their old age to decent pension. I submit that these men have been dealt with most unjustly, that they have been discriminated against as compared with employees of the other large organizations to which I have referred, and I hope that this matter will be given consideration by the minister, or by the government.

Mr. MAYBANK: I have considerable familiarity with the facts dealt with by the last speaker. I know that the problem concerning the Canadian Pacific railway's fund is not, strictly and technically a government matter. Prior to the time that it changed its superannuation plan the Canadian Pacific had one which was non-contributory. It was not a bad scheme, when one considers that no direct contribution by the employees was required. Later the Canadian Pacific changed over to a plan which is quite similar to that of the Canadian National; at least there are many points of similarity. This change occurred not very many years ago. I do not think that at the time they were drawing up the by-laws for the new plan they had in mind particularly the 2,500 employees—if 2,500 is the right figure, in the Weston area who had been on strike in the big general strike of 1919. However, the result was that most of these men, or at any rate a large number of them, could not acquire pension rights, because of the break in their service in 1919. As I have said, I realize that it is not strictly a government matter, but I know the Department of Labour took a hand in it at some times in the past and endeavoured to effect changes beneficial to the men. While I do not think it is feasible to pass a law to coerce the Canadian Pacific Railway Company, I would urge that the department be astute to try to discover some way of influencing the Canadian Pacific.

I may tell the committee a story with reference to this sort of thing, the facts respecting which I know personally, because of the source from which they come. There was a strike on the Grand Trunk railway back in 1907 or 1908. The men lost that strike. When it was coming to an end, the then deputy minister of labour, the present Prime Minister of this country, made a bargain with Mr. Hays, who was the president of that railway, that, despite the men having lost, he would restore them to work as fast as opportunity offered. Notwithstanding everything that the then deputy minister, Mr. King, could do, Mr. Hays welshed on his bargain and did not take the men back to work, and they were scattered all over Canada working for other railways. I myself met many of them in the ten or fifteen years of railroad work that I did. All of them lost their jobs in spite of what was done by the man who later became the Prime Minister of this country.

The sequel to that story is as follows. In 1911 the president of that railway was looking for money from the Canadian government. The then deputy minister of labour had become a minister of the crown, and he said to Sir Wilfrid Laurier at that time, "Unless Hays acts differently from what he has done in the past—and he is not entitled to this consideration—I would not grant it to him." As a matter of fact the minister took the position that he would resign from the cabinet if Hays, without keeping his undertaking, got consideration to which he was not legally entitled. Sir Wilfrid Laurier delivered an ultimatum to the president of the railway, and parliament was dissolved in 1911 without his obtaining the government aid which he sought. Mr. King, the minister at that time, was defeated in that election. The next time he had to deal with the problem was after he became Prime Minister of this country, when Sir Henry Thornton was being appointed. At that time conversations were held with Thornton, and the Prime Minister, as Mr. King then was, after telling him the whole story, said, "I do not make it a condition of your appointment that these men will even yet get such measure of justice as can be given them, but I do make it a condition of the appointment that you will personally look into it". It was not more than six or seven months later that every one of the sixteen hundred men who had been discriminated against in 1907 or 1908 had been hunted up, and every one of them received whatever compensation could be given in lieu of those that had been taken away. In many cases moneys were paid to their estates. I know these facts to be as I have stated them, and if any minister of the crown is not familiar with the circumstances his best source of information is his own Prime Minister. This measure of justice was effected in this manner by the present

Prime Minister. Incidentally, it is altogether too bad that the story is not better known.

I do not know what the Department of Labour can do in a case of this kind, but I submit that it should concern itself to find a way to help these C.P.R. men. I know the minister and his department would desire to do anything that is possible. I do not make any specific recommendation about changing the law; indeed, I do not think a specific recommendation at this moment would be worth while, because it might turn out not to be feasible. But the time may come when the Minister of Labour can find a way of helping.

I wish to add just a few further words. The hon. gentleman who has just spoken did, it is true, point out that the pension law of the Canadian Pacific Railway Company is out of line with that of the Canadian National Railways. I think it might have been a little more generous on his part had he drawn attention in a very special way to that fact. It was glossed over; it was mentioned but not stressed to any degree. The grievance was brought out into the open and stirred around a good deal, but praise was not given in the generous manner which might have been expected to the Canadian National Railways as an instrument of this government for the fair sort of pension scheme which it has. I suggest to the committee not to overlook, when a grievance is being told, the fact that this government and the instrument of this government have acted in an eminently fair way and have instituted what is probably the best pension scheme on the north American continent. This government has done not merely that which is right but that which is indeed generous, and I think it is no more than fair, when dealing with the subject, to draw attention to it.

There is only one other part of to-day's debate to which I wish to make reference. My comments arise from the speech made this afternoon by the hon. member for Lake Centre (Mr. Diefenbaker). He was endeavouring to make something out of what he called an unemployment problem, calling attention to the fact that there had been certain payments made from the unemployment insurance fund and trying from that to show that we have a real unemployment problem in this country. The fact of the matter is that when you have unemployment insurance you are bound to have a statistic on unemployment. There has never been a year in any country which had unemployment insurance, no matter how prosperous that country was, when they did not have what some might choose to call an unemployment problem; but the right expression to use is an unemployment statistic, because when you have unemployment insurance, obviously every person who has paid a premium comes to get his benefit.

In substantiation of what I have said, I wish to call attention to this fact. In the two countries whose reports up to the end of last year are at present before us, unemployment insurance benefits have regularly been paid. I refer to Great Britain and New Zealand. The latest reports from Australia are not here, but I am confident that you will find a statistic from Australia. That country, right down into the middle of the war, has been paying unemployment insurance benefits from day to day.

Mr. DIEFENBAKER: Have those payments more than doubled in a period of one year, as from January, 1943, to January, 1944?

Mr. MAYBANK: No. They have not more than doubled in that period of time, as far as I know.

Mr. DIEFENBAKER: They have here.

Mr. MAYBANK: I permitted a question, but I do not think the hon. member should continue to mumble and grumble over there after he has asked the question. I have no objection at all to being asked questions and I will sit down for the purpose, as I did on this occasion; but, the question having been asked, the hon. member should remain silent. I do not think the figures, as he says, have doubled in that length of time. I shall deal with them in a moment. However, the point I am getting at is this, that you cannot get away from unemployment payments when you have unemployment insurance, and you are bound to have a statistic on the question. For the hon. member, therefore, to say that by reason of the fact that we have been making payments, not very large payments, there is a real unemployment problem is, of course, just to make a complete mockery of logic.

His approach to every subject is well illustrated by that old adage about one swallow or even two swallows not making a summer. I am quite sure the hon. gentleman has heard that saying before, but he has not paid any attention to it as applying to himself or to his method or lack of method in logic. I also sometimes think he is a little like the old charwoman who, when asked by her mistress whether such and such was not after all just a rumour, took the attitude, "Well, if it is just a rumour my motto is to make the most of it."

In order that you may see the situation in Great Britain over the last two or three years, that country which, as the hon. member for Greenwood (Mr. Massey) told us the other

day, every single man is assigned to some useful work and there is really an all-out war effort, I wish to present certain figures. For, although people are so close to the war there, the British themselves have, over the last three years, been paying unemployment benefits. I cannot say whether they have increased or decreased; but in Great Britain itself, in the three years up to 1943, they paid out twenty-five and a third million pounds, which is an average of a little over eight million pounds a year; and if a country like that has unemployment under the circumstances in which they are living it is certainly not remarkable that there should be some here. Because the moment a person is out of work, he naturally comes to get the benefit for which he paid, and there is consequently an unemployment statistic showing that moneys have been paid out. But an unemployment statistic showing that moneys have been paid and an unemployment problem in a country are two radically different things, and all the rhetoric that my hon. friend may engage in cannot make an unemployment problem out of an unemployment statistic.

Again, in New Zealand, I have noted the figures from the latest book we have for them. In 1940 they paid out £434,497, which was reduced in 1941 to £299,161 and in the next year they still paid £138,528. These figures represent their payments of moneys in unemployment insurance benefits.

My only purpose in mentioning all this is to add a postscript to the story which the hon. member for Lake Centre has given. When presenting a case like this he will not give a complete review of the situation, stating any facts that are favourable and any that are unfavourable. He will only take out a few facts relating to this country and suggest by silence on other points that we are in a somewhat different position from that of any other country which has unemployment insurance. But such is not the case, and a fair examination into the problem will show to any reasonable and impartial person that indeed it is not the case. That is all I have to say on the matter.

Mr. McIVOR: How many years must a worker on the Canadian National Railways serve before he receives a pension?

Mr. MAYBANK: Fifteen, I think it is, but I am not quite sure.

Mr. McIVOR: And how many years must a man work on the Canadian Pacific before he gets a pension?

Mr. MAYBANK: I cannot answer that.

Mr. McIVOR: I understand it is twenty-five. The reason why I ask these question is that I have known men to have served for nearly twenty-five years and they have failed to get their pension by a margin of a month or two. That is something the Minister of Labour and the department should take into consideration. I suggest that when a man has served for twenty years he should have a scaling of his service, after the manner of the civil service, so that he would receive a pension, because if a man serves for twenty-four years and ten months on the railroad and is not fit for very much afterwards he should get some consideration.

Mr. MITCHELL: While this particular matter does not come under selective service I wish to thank the hon. members for Winnipeg North Centre, Winnipeg South Centre and Fort William for the remarks they have made. I have a clear understanding of the background of this dispute over pensions with the Canadian Pacific Railway Company. I have a vivid recollection of the strike of 1919 and the things that happened after that strike. I shall be very glad to do whatever lies within the power of my department to bring to the attention of the railway concerned the observations made by my hon. friends this afternoon.

Mr. KNOWLES: I should like to say a further word, if I may.

The CHAIRMAN: I must repeat I believe this discussion is out of order. I should have ruled it out of order a while ago. I do not believe it has anything to do with the Department of Labour and certainly on the war appropriation resolution it has nothing to do with the item before us at the moment.

Mr. KNOWLES: I should like to say a word or two because of one observation made by the hon. member for Winnipeg South Centre. I believe the hon. member slipped out of the chamber for a few minutes while I was speaking and consequently did not hear all that I said. I believe if he looks up *Hansard* he will find that I made fairly generous remarks about the attitude of the Canadian National Railways in this matter, and that I referred specifically to the Canadian National as an instrument of the government in this situation. While I am on my feet may I say to the Minister of Labour that the provision requiring continuous service commencing before the age of forty is still in the pension rules of the railway concerned, and some of the men now in the employ of the company feel that if there is any kind of interruption in work which the railway feels comes under this rule then they might in the future be adversely affected.

However, I appreciate the minister's offer to look into the matter as far as his department is concerned.

Mr. RALSTON: May I say just a word? I appeal to the committee, in the interests of getting on with the work, to try to keep within the item which is under discussion. We have tried to lay down a plan of procedure which we can all follow and understand and which gives opportunity for the application of rules of order. I am sure that the committee itself is not satisfied with the desultory sort of discussion that takes place on subjects which are far removed from the actual item which is before the committee. We want to get this war appropriation resolution moved forward just as fast as we possibly can. I would therefore ask that all hon. members take all the care they can to see that the discussion is kept within the bounds of the item which is before them. There will be an opportunity to discuss these other items. It simply means a duplication if we do it now.

Mr. WHITE: I wish to speak briefly on the man-power question, which I think the Minister of National Defence will agree comes under this item. This question has been most capably covered this afternoon by the hon. member for Lake Centre. I followed his remarks very closely, as I did the reply of the Minister of Labour. In his reply the Minister of Labour referred to the various tables and figures quoted by the hon. member for Lake Centre, and pointed out that these returns and figures all applied to different dates, which is correct. He referred to his table No. 7, which he placed on *Hansard* last Friday, as setting out the complete picture. But I would point out to the minister that table No. 7 follows a different set-up from what has been given in the various returns. I ask the minister if he will be good enough to place on *Hansard* during the course of this debate a table taking in any date he wishes in 1944? I believe that the figures are available down to some date in March, 1944. I should like that table to contain the following information:

1. The number of men available for military call-up in the various districts. This information could be given either by military districts or by administrative districts.

2. The number of men called for medical examination.

3. The number of men who reported for medical examination.

4. The number of men found medically fit.

5. The number of military training orders or notices sent out.

6. The number of men who reported for military training.

7. The number of men who enlisted on receipt of order.

8. The number of orders returned undelivered.

9. The number of postponements granted.

10. The number of men exempt under certain statutory regulations and exemptions.

If the minister will be good enough to give us that statement I think it would clear up the confusion.

Mr. MITCHELL: Would my hon. friend send me over the list when he is through?

Mr. WHITE: I shall make another one. I do not think the minister could read my shorthand. If the minister would give us a statement setting out these different items as a certain date, it would get over the somewhat confused picture that has been presented to us by the various returns filed in the house.

Apparently the question of man-power is to be an acute one this year, as was pointed out by the hon. member for Lake Centre. I know that at least in military district No. 3, which includes the city of Ottawa, there is a very great shortage of man-power. During the past month many young men who had obtained exemptions on account of living and working on farms have received notices, when applying for further extension, that they are to report to district depot No. 3 at Kingston, where they are to be reexamined and reclassified. That may be because of some change in the regulations, or it may be the usual routine procedure. But I do know in the past once a man who has been called for military service has satisfied the divisional registrar that he is a genuine farmer and is actively engaged in agricultural production he is granted a postponement, which is automatically renewed, or he is granted a postponement which reads: "Until further notice." If there is to be some change in this procedure, and if any of those men who are on farms are to be called and taken into the army, I think the minister should tell the committee.

Only to-day I received a letter from Kingston in regard to an extension I wrote about for a cheesemaker who is in charge of a cheese factory in the county of Hastings producing well over 200,000 pounds of cheese a year. His postponement runs out on June 1. The letter was to the effect that he would have to report at Kingston on June 1, when the exemption runs out. If there is to be any change I would point out to the minister that it is unfortunate to call these men off the farms at this particular time of the year, because in the district where I live mixed farming is carried on. The farmers there, in response to requests from the government, have increased the number of stock they carry on the farms; they

have brought into cultivation quite a large amount of new ground. If those farmers are now to be deprived of those men who have received exemptions they will be left in a very unsatisfactory position.

I would refer the minister to a statement which appeared in a Belleville newspaper last week. This statement was given by Mr. H. H. Reed, manager of the local branch of the national selective service division at Belleville. The statement reads as follows:

> Wages as high as $75 and $80 per month are being offered by the occasional Hastings county farmer for experienced farm help for the coming season, it was stated here to-day by H. H. Reed, manager, local branch of the national selective service. Demand for farm help is quite steady with the office at present having thirty-six unfilled applications.

That figure may not appear very high to some of the farmer members from the west, but it is in eastern Ontario. As I said a moment ago, I hope that the minister will tell the committee if there is to be any change, or whether this is just the routine procedure and that those men who now have farm postponements will receive a further extension.

I agree with what was said by the minister at the close of his remarks, that the needs of the armed forces must come first, put the armed forces first and agriculture second. At the same time, however, the minister is a member of this government and must realize that the responsibility for securing men for the armed forces and for agriculture rests upon his shoulders and those of the other members of the cabinet. The minister presented a long report, but I would point out that as yet his department has not put into effect in Canada a real policy of selective service under which everyone in this country will be put in the place he is best suited to fill; nor has he yet put into operation a policy under which all men eligible for military service may be sent to any part of the world. How can the minister be consistent when he refers to the shortage of man-power that exists to-day, while at the same time he supports a policy under which, according to figures supplied by the government, there remains in this country a home defence army of from 75,000 to 100,000 men, who under present regulations cannot be sent out of the country? As was so well pointed out by the hon. member for Lake Centre, if we are to have unity in this country there must be equality of service and sacrifice. One has only to examine the various reports and returns published in "Canada at War" to see the unfair quotas filled by voluntary enlistment in the various provinces. I have said before in this house, and I repeat, that I could never understand why one province should be expected to contribute a much larger number of men to the armed forces than any other province.

Mr. JOHNSTON (Bow River): In relation to population.

Mr. WHITE: Yes, in relation to population. I say the policy of the government in obtaining men for the armed forces is one of political expediency; and I do not understand how they can expect to run a political war and at the same time create national unity. We all remember the great fuss that took place in this house at the time of the plebiscite. I was a member of the committee which revised the rules in that connection; the matter was so urgent that the committee was required to complete its work in two days. They were obliged to sit in the morning, the afternoon and until late at night in order that the bill might be brought into the house and rushed through. Well, we had the plebiscite; eight provinces voted "yes" and one province voted "no", but the conditions which existed before the plebiscite was taken exist to-day, and the regulations are exactly the same. The government continues its policy of attempting to induce men in the home defence army to go active. As I have said before, the responsibility for obtaining these men rests upon the shoulders of the government; it is a responsibility which cannot be delegated to any officers of the army. It is most humiliating for any officer, no matter what his rank may be, to have to appeal to men in the home defence army to go active. During the course of his remarks on Thursday last, as reported at page 2383 of *Hansard*, the minister said:

> It seems to me that the army is not only entitled to see to it, but it is the duty of the army to see to it, that the needs of the volunteer army are put before the people of Canada in exactly the same way.

I think the minister is wrong in that statement, because it is his department and the government who decide what are to be the needs of the army and how these men are to be obtained. It would be very nice for the minister and his department to pass the responsibility for securing recruits for the active army over to the officers. I submit, Mr. Chairman, that it all results from the failure of the government to adopt a policy under which men eligible for military service could be sent outside Canada. During the course of his remarks on the same occasion, at the same page, the minister went on to say:

> . . . I deprecate more than I can say the attempt which has been made to disparage recruiting activities in Canada.

The minister did not refer to any particular person or body of people, but I would draw to his attention the motion that was adopted in the Quebec legislature only last week. By a vote of some fifty-four to four the house approved a motion stating that they were opposed to sending any conscripted men overseas. The minister belongs to the same political party that is in power in Quebec, but as yet I have not heard any hon. member of this house repudiate or condemn the motion in question. Does the minister think a motion of this kind, on the very eve of the invasion, is in the interests of national unity, that it is in the interests of recruiting or that it will help the troops overseas? Are they going to feel that the citizens of Canada are behind them when they read of such a motion being passed by the Quebec house? Several members of the cabinet come from Quebec. If they do not approve that motion I think it is their duty and responsibility to say so in this house and to repudiate the motion that was adopted by such a huge majority.

Mr. RALSTON: If my hon. friend will permit me, I said I deprecated the efforts being made by some people to discourage recruiting activities. The hon. member is talking about some motion passed by a provincial legislature which opposed the sending of conscripted men overseas. Those are two different things. I say that my hon. friend is not only absolutely unjustified in his remarks but that he is doing something which is harmful to Canada's war effort when he suggests that it is humiliating to request officers to ask men to enlist, or to endeavour to see that they do enlist. I say that part of the job we have to do is to get men. My hon. friend has not suggested that there is anything objectionable when we are asked by the national war finance committee to bring back officers and men from overseas to ask me and him and all other hon. members of this house as well as the public in general to subscribe their money for the purpose of supporting those men. That is perfectly all right, but when officers of the army ask men to enlist, that is humiliating. I say that my hon. friend is making a statement derogatory to the war effort and absolutely unjustified, and one which comes from just the sort of attitude I mentioned the other day, namely, not so much a desire to see men come into the army but rather a desire to see that men come into the army through conscription.

Mr. WHITE: I can only say to the minister I repeat that it is humiliating for any officer, no matter what his rank may be, to have to plead with men whom he is supposed to lead, to enlist in the active army. Those men are already in the home defence army, and it is the duty of the minister and the government to get them into the army. The minister and the government are the ones to set the policy. It is not up to the officers, and they have no authority—I will not say they have no authority, but the government is not right in trying to shove off on to the shoulders of officers the responsibility of obtaining men for service overseas.

Mr. RALSTON: What does my hon. friend think this house has been voting money for, for recruiting officers and recruiting organizations, for the last two or three years? Has my hon. friend any objection to that? Does my hon. friend think the vote is wrong? We have had recruiting staffs in every part of the country—and so has the navy, and so has the air force. Does my hon. friend suggest that those procedures are wrong on the part of the officers of the navy or the air force? These staffs are employed for that very purpose; these officers are employed for that very purpose. Is there any humiliation in working in that particular job? The air member for personnel in the air force and the officer dealing with personnel in the navy, have as part of their responsibilities the getting of men to enlist in the navy and the air force. The adjutant-general in the army has the same job. Does my hon. friend suggest that that is a humiliating activity?

Mr. WHITE: I say again it is a humiliating activity—and the minister is not cross-examining me. While the minister speaks that way about obtaining recruits for the army I should like to refer him to the record of a recent meeting of the Ontario command of the legion. I am sure that no one will even suggest that members of the legion would do anything in the slightest degree to hinder or to harm the welfare of the armed forces of Canada. This was the motion passed at a recent meeting in Toronto of the Ontario command:

> This convention reaffirms the legion's mandate of 1941—"The legion's call for total war," and strongly asks the federal government for its immediate implementation in the matter of calling men for service anywhere.

The editorial continues:

> The legion does not believe in bludgeoning the draftees on to active service. They, the men who fought in the last war, refuse to be part of the campaign of shaming, of coercing men to go active. They realize that the fair way, the honest way, is for the government to pass the order in council which would send anywhere those who are in the home defence army. And in that course the legion is in keeping with the view of the majority of Canadians who voted "yes" in the plebiscite.

At the same meeting Mr. Alex Walker, dominion president of the Canadian legion, is reported in the press as speaking as follows:

I don't think the government should have officers going around and telling men to do their duty. Why couldn't the government put into power the authority it has and tell these men (in the home defence army) they are going wherever required? No one need fear the Canadian Legion. Our feet are on the ground, and in whatever we do we think first of Canada and then of ourselves. If more people would think of the country first and then of their political fences, it would be a better Canada to-day.

And the legion speaks not only for nearly all members of the armed forces of the last war, but also for a very large number of other citizens in Canada.

Mr. RALSTON: If my hon. friend's attitude is correct, then what should be done is to take off the road all mobile recruiting units of the whole three services, and simply wait for the men to volunteer. That was not done in the last war, and it has not been done in this war so far in any of the three services. I do not propose that it shall be done, so far as the army is concerned, and I believe my colleagues feel the same way about the navy and the air force.

Mr. WHITE: You would have recruiting centres all over Canada, of course.

Mr. RALSTON: But my hon. friend says it is humiliating!

Mr. WHITE: The exhibition that we have had out west of General Pearkes having to plead with the men to go on active service, stating—or at least he is quoted as saying:

I tried principally to appeal to their pride in Canada, and to the fact that the outcome of the second front might rest upon the number of home defence men who are ready to back up the troops already overseas.

I say to the minister that you can only take the inference from those remarks that there are not sufficient reinforcements overseas. I know the minister has said in this house—his exact words were:

Provision has been made for reinforcements on a scale which is regarded as adequate.

That statement was made, I believe, on February 14. If the minister is of the same opinion to-day, then General Pearkes was wrong in what he said to the troops out west, when he said that the outcome of the second front "might rest upon the number of home defence men who are ready to back up the troops already overseas."

[Mr. White.]

Mr. RALSTON: It is absolutely ridiculous for my hon. friend to say anything of the kind.

Mr. WHITE: Now—

Mr. RALSTON: Will my hon. friend permit me a word?

Mr. WHITE: You are not always so willing when I wish to interrupt you.

Mr. RALSTON: I believe I have allowed my hon. friend to interrupt me. I have said repeatedly that there is a necessity for maintaining the Canadian army overseas. I am doing all I can, and my officers are doing all they can, just as are the officers of the other services, to see to it that the men are ready for overseas when the need comes. And we propose to keep on doing that.

Mr. WHITE: The minister might proceed to tell us what he intends to do with the home defence army. He says that they are going to be ready to go overseas when needed. I say to the minister that if what General Pearkes says is correct the men are needed for overseas, and it is the duty of the minister and the government to see to it that all the home defence men, the men in the home defence army, are made available for overseas service immediately.

The government wishes to pass over to the officers the job of coercing, forcing, bullying and pleading with these men. "Get so many men to go active, and we will give you leave, we will give you days"—or we will give you other things.

Mr. RALSTON: My hon. friend is drawing on his imagination.

Mr. WHITE: Well, all right.

In conclusion, I should like to say simply this to the minister, that if the men are needed for overseas service it is up to the minister to see that they are made available. It is time that the government stopped this farce, this back-door system of recruiting. It almost compares with the brilliant thirty-day training scheme which was introduced by the government. I wonder what the Minister of National Defence would say now if he rose in his place to uphold the thirty-day training scheme.

Mr. RALSTON: I would say exactly what I said at the time.

Mr. WHITE: I am sure you would be very proud of it! And the officer who drafted and introduced the scheme I see has gone a long way up the military ladder.

Mr. RALSTON: And that will help the war effort a lot!

Mr. ROSS (Souris): There is a difference between being on the front bench and being in the front line. You see things differently.

Mr. RALSTON: I was on the front bench then, as I am to-day.

Mr. ROSS (Souris): It is far different.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. JOHNSTON (Bow River): Mr. Chairman, I listened with a great deal of care the other day as the Minister of Labour made his statement to the committee, and I have since had an opportunity of reading his statement. I realize, as I have said in the past, that he has a tremendous job on his hands. There are many things that go to magnify the troubles of the Department of Labour. As I listened to the minister and as I have watched his work over the years, he seems to me a very conscientious sort of fellow who is working under great difficulty. He has to have two objectives always before him. He has to administer national selective service so as to ensure that there will be a sufficient supply of labour on the farms and in industry, and at the same time he has some responsibility for seeing that a sufficient number of men are left available to enter the home defence forces. So that he is really working at cross-purposes. Not only is he compelled to satisfy the Department of Labour and ensure that the demands of labour for better wages and better working conditions are met, but he has also to satisfy the three branches of the Department of National Defence, and has to satisfy also the Department of Finance. All this tends to magnify the difficulties of the position in which the minister finds himself. All these different aspects of his work have to dove-tail into one another as well as they can, and in some respects the minister is doing a very well worth-while job.

One notable feature of the minister's statement to the committee the other day was the educational training that is being given to civilians in war industry and to those who are being rehabilitated. That is commendable, but in that connection it must be borne in mind, and I am sure that the people of Canada will have this in mind, that there is not much use in training people for different jobs, especially civilians and those engaged in the war industries, if there are to be no jobs for them after the war. One of the big things which this country has to do after winning the war, which I think we all agree is our first objective, is to see that there will be jobs for our men after they return home, and jobs that will be remunerative—not the kind of job that was going during the depression when a man could hardly make a living for himself and family. The returned man will expect a great deal more than that after this war, and rightly so. I could hardly conceive of the men being satisfied if, after they got home, they found the same conditions that prevailed during the depression years. Yet I have noticed a great deal of political propaganda that is going out all over the country and to the armed forces, some of it broadcast over the air, all to the effect that great preparations are being made in this country for the post-war period. I just do not believe that. Some measures are being taken, but very few. Actually we are not doing a great deal to ensure that when our men return from overseas they will find Canada a really well worth-while country.

There has been a great deal of talk here this afternoon about the war effort and the necessity for getting recruits. But if we are in a position to assure our people that this Canada of ours is to be a really well worth-while place after this war is won, we shall not have so much difficulty in getting recruits. Now you cannot ensure that, merely by putting out a lot of propaganda. To-day I received a bunch of pamphlets from the Liberal organization. They were addressed to J. A. Johnston but they came to me and I opened them by mistake. These pamphlets were on post-war reconstruction—what is to be done for the soldiers after the war. I could not see that there was a great deal in the pamphlets that was true, as I glanced over them, because really we have not done a great deal. We have a social security measure before us, but it is a long way from being put into effect, and I doubt whether the whole of it will ever be put into effect, though parts of it may be.

Mr. MacNICOL: Who sent the pamphlets?

Mr. JOHNSTON (Bow River): The Liberal organization. I have not that in mind alone. A great many pamphlets have been got out by the government themselves and sent to members of the active forces, giving the idea that great preparations are being made in Canada for the post-war period. Those boys are going to be badly mistaken if when they come back they find that actually very little has been done to prepare for the post-war period. That is one of the difficulties in which the Minister of Labour finds himself.

The minister in his statement to the committee the other day referred to certain industries in Canada, and I was particularly

interested in what he said about the coal industry, because there is a coal industry in my part of the country. I know very well that the minister might say that that is a purely local question, that the conditions there apply in only one area of Canada. But that would not be true. It is true that in Nova Scotia there are not the same difficulties in coal mining that there are in Alberta. But conditions in Alberta are not just a temporary thing. They demand attention and have done so for a long time, and they call for planning to carry us over a crisis. It is summertime now and perhaps our coal requirements do not seem so pressing at the moment, but winter will come again, and as the minister stated in his speech some weeks ago, now is the time to start planning. But no planning with regard to the coal industry has been done apart from the announcement that a royal commission is to be set up to investigate conditions in the coal industry, with a view, I suppose, to creating a national fuel policy. We have needed a national fuel policy for a number of years now. I have advocated such a policy ever since I came into this house in 1935. That is a long time, and I am not very hopeful that the royal commission which is to be set up will have any far-reaching effects in the establishment of a permanent fuel policy for Canada. Why? Because we have had these things in the past, and up to the present no action has been taken as a result.

Speaking on Friday last, the minister said, as reported in *Hansard* at page 2438:

> The situation of the coal mining industry was declared to be a national emergency in May, 1943. . . .

It was a national emergency at that time. We remember what a desperate need there was in all parts of Canada for coal, and drastic measures were taken at that time to overcome the emergency. In my opinion we are drifting right now to the same position we were in last winter. We are depleting the mines of their help; the miners are being scattered again here and there, and it would not surprise me if we found ourselves in a much worse position than before. It will be recalled that on the last occasion we were able to alleviate the shortage by having soldier miners sent back to the mines. We may not be able to repeat that operation this coming winter because a great number of these men may have gone overseas. We cannot foretell conditions as regards the defence of this country and whether we shall be able to send soldier miners from the home defence army for occupation in the mines if an emergency should arise. Certainly we shall not be in any better position this coming winter to obtain the services of miners who are seasonally occupied in agriculture. It follows that by every indication the condition will be worse this coming winter than it was last winter.

The minister went on to say:

> Last May, order in council P.C. 4092 was passed, and directed that men with coal-mining experience then engaged in other industry, and who were physically fit, should be returned to the mines.

From the point of view of emergency that policy was all right, and it did assist in overcoming the emergency. I have never criticized the principle of selective service; in fact, I thought it was the proper thing as soon as the war began, and our group was the first in the house to advocate it. But the administration in many of the local areas was extremely faulty, as I have pointed out to the minister on other occasions.

One instance which I recall, and which I do not think I have brought to his attention before, was drawn to my attention by the words he used which I have just quoted, "who were physically fit". Five men were sent from Ontario to the Drumheller area by national selective service. It may be a regulation, in accordance with the minister's reference to men "who were physically fit", that there should be a medical examination by competent authority to ascertain that they are physically fit; but the five men sent from Ontario, who were supposed to be miners, were too old to do the job, and were proved by medical inspection in Drumheller to be physically unfit for it. They could not stand the work, and after working two or three shifts they were compelled to quit their jobs. This was an unfortunate occurrence not only from the point of view of the cost to which the state was put in sending these men three thousand miles or more and withdrawing them from the armed forces, but because of the inconvenience and disturbance to which the mining company itself was put. All five men returned, and it is definitely known that the return fares of three of them had to be paid. The unnecessary expense was incurred of transferring these five men from Ontario to Drumheller, taking up valuable space on the trains, and transporting them back again. Altogether eight men were sent. Three others who came from Camp Borden had had no experience in coal mining, though they had had hard rock mining experience in Ontario. The minister says that they were physically fit. Probably they should have been, but definitely they were not. There has been no effort to overcome such situations as that.

Matters have now gone to the other extreme, and in both Calgary and Edmonton districts coal mines are having to shut down. When last I spoke on this question, a few weeks ago, having reference in particular to the closing of the mines at Edmonton, I was assured by the minister that national selective service was operating so wonderfully that, should the mines close down, these men would immediately be taken care of; in fact the minister thought I was unduly pessimistic about that situation. As the facts have developed, it does not seem that I was, because, I am informed, the mines did close down and some of these men are not yet reemployed and are still receiving unemployment insurance. That is not a satisfactory condition when we are supposed to be having an all-out war effort in which everyone is taking his place.

In the Drumheller area the same situation prevails, possibly to a greater extent. I am informed by a letter recently received that in that mining area a great deal of trouble is occurring with national selective service in the payment of men who are receiving unemployment insurance. Since the mines closed, large numbers of men have been forced to apply for unemployment insurance, but have had difficulty in getting their pay. Sometimes it is delayed two or three weeks, or even longer, and the situation is coming to a point where the miners are about ready to take drastic action unless something is done. These conditions, which are directly related to selective service and unemployment insurance, require considerable attention by the minister.

There is one other item to which I wish to refer, because I think it too touches on this problem of national selective service. There has been some talk this afternoon about the defence army, and since this comes under the man-power policy, I would refer to a few remarks made by the minister himself. When he was speaking the other day he had this to say, as reported at page 2430 of *Hansard,* with reference to the man-power policy:

> In my opinion the true yardstick of a successful man-power policy is the degree to which the armed forces are mobilized for the job of fighting, and the material resources organized for maximum output of munitions, food and all the other things necessary.

I will agree with him in that statement, that the true yardstick is the result of policy. I wonder how true that has proved to be? Let us see what he said further on, because under the minister's department comes the duty of getting men for the defence army. He has to supply them and, after they are in there, they are out of his department. We have been given so many pictures of our mobilization effort that it is exceedingly difficult to know just where we stand, but as reported at page 2445 of *Hansard* the minister said, in the same speech:

> We are now finding it more difficult to fill the army requisitions. As the war progresses, it is evident that we will soon have to rely largely upon those at present deferred and the young men coming of age.

I said at the opening of my remarks that the minister was between two fires: he had to supply men for the defence plants, civilian occupations, and also get men for the home defence army. He goes on to say:

> The proportion of fit men in the higher age classes is becoming increasingly smaller. This entails a greater effort for smaller returns.
>
> There is another point I would like to mention. Recently my colleague, the Minister of National Defence (army), made the statement in the house that he would require 60,000 men in the year commencing the first of April. In further correspondence with me, he has stressed the absolute necessity of obtaining these men, particularly bearing in mind the requirements of operations which are in prospect.

I would call your attention, Mr. Chairman, to the fact that there is a great deal of concern about the man-power problem in the army in the very near future. Here we have a statement about the absolute necessity of obtaining these men, particularly bearing in mind the requirements of operations in prospect. There cannot be any fooling about that. The Minister of National Defence has pointed out to the Minister of Labour the great danger that lies ahead and the great need for sufficient recruits for the army. He is taking great care to point that out. I quote further:

> In the last six months, September 1943 to February 1944, there actually have been more than 5,000 men per month who were enlisted and enrolled in the army alone. However, the monthly average has been decreasing, and at times enlistments and enrolments have fallen below the numbers required by the army. For this reason I think it is only fair to state in the house that further postponements in industry generally will have to be curtailed. This policy should not adversely affect industry; for, as I have already stated, its maximum demand has been passed. I mention this in order that all members will realize that the retention of young men of military age and fitness in industry can only be justified under very exceptional circumstances.

That brings me to the question which has been partly discussed this afternoon, of getting men from the farms and from industry to meet this shortage of man-power in the army. When the Minister of National Defence was speaking I was surprised at some of the things he had to say with regard to the method of

getting these men, and I doubt very much whether the Minister of Labour agrees with the present policy of obtaining men for the armed forces. He may, though I am inclined to think he does not. The duty of the Minister of Labour is to see wherever possible that men are made available for the defence army. I recall apearing before the board in Edmonton a couple of years ago when I was endeavouring to get some farm lads postponed. As a matter of fact, I got the postponements because the board was very reasonable and saw the necessity. But this was the situation as they put it up to me: Here we have received an order from Ottawa directing us in this district to obtain 25,000 young men; we are not told where to get them but we must go and get them. The chairman of the board said to me, "Where would you get them? You are a westerner and you know that we have got nearly all the boys in the towns. Where shall we get these 25,000? Yet we have received an order from Ottawa to get them." Obviously there was only one place where they could be got, namely, out of industry or from the farms The minister's problem, therefore, is becoming more and more magnified as the situation to which he refers becomes more acute. I do not know where he will get men, but I am opposed to the method that is used now. I am wholly against the method used to obtain these men from the draft army into the active army, and I am amazed at the attitude taken by the two old line parties in this house over this question.

Mr. HANSON (York-Sunbury): What is the matter with ours?

Mr. JOHNSTON (Bow River): Yours?

Mr. HANSON (York-Sunbury): Yes.

Mr. JOHNSTON (Bow River): Its policy is just as despicable as the Liberal party's, for the reason that when the war started you sat over there in this house and the then leader, Doctor Manion, made it definitely clear where your party stood.

Mr. HANSON (York-Sunbury): It was not I that stood there and made it clear.

Mr. JOHNSTON (Bow River): But you did not change it after you came in.

Mr. HANSON (York-Sunbury): I can show you where I changed it.

Mr. JOHNSTON (Bow River): The only time there has been a change has been in the last year or so, and then it is only the younger members of the party who have had judgment and foresight to see the necessity of a change.

The CHAIRMAN: I must ask hon. members to address the Chair.

[Mr. C. E. Johnston.]

Mr. ROSS (Souris): The younger members did not wait until last year.

Mr. JOHNSTON (Bow River): I will give the younger members credit for this, that they had different views though they did not express them when the war came on. That was the proper time to lay down policy. That was the proper time to lay down a national policy on selective service in regard to man-power, and we were the only ones of all the parties in this house who took that stand. We were the only ones that did not have political views in mind when advocating it.

Mr. HANSON (York-Sunbury): Never had.

Mr. MacNICOL: Not even on the twenty-five dollars per month programme?

Mr. JOHNSTON (Bow River): We never had political ambitions. The member for York-Sunbury says we never had political ambitions and I am glad he recognizes that. I am sorry that I cannot say the same for his party. When the plebiscite was on, the same thing happened. It was a political issue. There again we stood out differently from all the others. But when you advocate a policy such as that you cannot expect to have any better results than you are having right now. In fact I am surprised that you are having as good results as you are.

Mr. HANSON (York-Sunbury): Everybody is out of step but "Our Willie."

Mr. JOHNSTON (Bow River): I have not seen any great contribution made by the Conservative party when my hon. friend, the member for York-Sunbury was the leader. In fact I have not heard him make much of a contribution to the house since he has been here. He may have at times. I do not mean to belittle the hon. gentleman; but I would not do that. I think he has been doing his best; but you see where his best has landed us, because his best on the mobilization problem was exactly the same as the Liberal party's best. They were both in accord. Well do I remember seeing the late Doctor Manion rising in his place in this house and patting the government on the back for the policy they were pursuing in regard to the raising of man-power for this war. I will say that there were some members of the Liberal cabinet who objected to the practice being used then and are no doubt objecting now, but they are not getting very far with it.

When I see the method being used to get the boys out of the defence army into the active army I think it is nothing short of shameful. If I were the government I would be absolutely ashamed to have any officer

in the active army go out to intimidate or coerce these men who have complied in every degree with the government's request and have joined the defence army. They are trying to coerce or shame them into going active.

Mr. ROSS (Souris): They are good and ashamed too.

Mr. JOHNSTON (Bow River): If they are not, they should be. The government should get out and speak to some of these boys in the defence army. You do not need to think for one minute that all these boys in the defence army are yellow; they are not by any manner of means. I have had them tell me this, and I think they are quite justified in the stand they take. They say: We joined the defence army because that was the government's policy and they asked us to do so. They sent us a call and we complied with it. We have joined the defence army, and we will join the active army when the government makes that their policy so that everybody has to go. Instead of that the government has agreed with army officers who go out and speak to the defence army in the way in which Major General Pearkes did the other day.

May I quote from the *Canadian Veteran* of April 30, 1944? This is what Major General Pearkes is reported to have said:

> Major General G. R. Pearkes, V.C., general officer commanding-in-chief, Pacific command, in an address to a group of soldiers at Vernon, B.C., training camp recently said: "Cease wavering, play the man's part, and join the active army of Canada."

What kind of language is that to use to men in the defence forces who have complied with the government's regulation and the government's policy? That language should be addressed to the Minister of National Defence and the Prime Minister. The article goes on:

> General Pearkes said later: "I tried principally to appeal to their pride in Canada."

Why appeal to their pride? Why not appeal to the pride of the government? They were the ones who put this policy into operation. They were the ones who asked these boys to join the defence army. Why take it out on these boys? The government sends out officers to tell these boys they should be ashamed of themselves to be in the defence army of Canada. What kind of hypocrisy is that? Then the article goes on to say:

> . . . and to the fact that the outcome of the second front might rest upon the number of home defence men who are ready to back up the troops already overseas.

What is the import of that statement? He says that the very existence of our Dominion of Canada may depend upon the willingness of the defence army to go active. Those words should be applied to the government of this country and never to a man in uniform in the defence army.

Where are we to get the men for our active army? As the Minister of Labour pointed out, he was cautioned by the Minister of National Defence that there was a great danger of our not getting enough men for the active army. It is the job of the Minister of Labour to see to it that these men are forced into the defence army, and forced from there into the active army. Can one find anything more despicable than that? It is almost subversive; I think it is. We have young men in industry or in agriculture receiving calls. They have to go before the selective service board, and the very first thing the selective service board asks them is: "Why are you not in the army?" Or they send them to some job to which the boys do not want to go, and they say: "If you do not go we will push you into the army." That was done in the selective service office in Calgary and I brought it to the attention of the minister. When they are in the defence army, by using that method we then send honourable gentlemen, worthy army officers who have served their country overseas, among these men, and we put the shameful task on such officers of going out to these men who have complied in every way with the government's law and the government's regulations to induce them to join the active army.

Mr. HANSON (York-Sunbury): I rise to a question of privilege.

Mr. JOHNSTON (Bow River). We say to them—

Mr. HANSON (York-Sunbury): I rise to a question of privilege. The hon. member who has had the floor up to this time this evening has, I submit, totally, wilfully and knowingly misrepresented my position on the question of national selective service. I desire to call the attention of this committee and the country to the amendment which I moved in the debate on the address in reply to the speech from the throne on January 26, 1942. In that debate I moved, seconded by the hon. member for Yale, the following amendment to the motion then before the house:

> This house regrets that Your Excellency's advisers, instead of giving to the country the leadership so essential at a time properly described in the speech from the throne as the greatest crisis in the world's history, on the contrary, have sought to evade their responsibility by holding a plebiscite, which, in the view of this house, is the negation of responsible government.
>
> And this house regrets that Your Excellency's advisers have not seen fit to recommend to parliament without delay additional measures designed to

(a) completely mobilize the wealth and material resources and, on a selective basis, the full man and woman power of the nation, to the end that the nation may wage total war in any theatre of war;

(b) supply the imperative needs of agriculture, industry and the fighting forces of the nation; and

(c) prepare for the post-war period.

I call upon the hon. member to recall the statements he made with respect to myself, deliberately, falsely, ignorantly and, I say, maliciously.

Mr. MACKENZIE (Vancouver Centre): On a point of order I respectfully submit that this is not a question of privilege. I also submit that the words used by the hon. member for York-Sunbury in regard to another hon. member of this committee are absolutely out of order and unparliamentary according to the well-known examples in Beauchesne and should be immediately withdrawn, Mr. Chairman.

The CHAIRMAN: I must state, of course, that this is not a question of privilege. The remarks made by the hon. member for York-Sunbury about the hon. member for Bow River of wilful misrepresentation are out of order.

Mr. MACKENZIE (Vancouver Centre): According to Beauchesne, second edition, an hon. member cannot make those remarks about another hon. member.

The CHAIRMAN: Order.

Mr. JOHNSTON (Bow River): Mr. Chairman, I think your point of order is well taken. Since the hon. member for York-Sunbury has made those direct accusations about me and he cannot substantiate them—and he knows that—I have not *Hansard* of that date before me—I think he should, if he is a gentleman, recall those statements, particularly where he said that I had done so deliberately and intentionally.

Mr. HANSON (York-Sunbury): I am a gentleman, all right, and I do not recall anything that I have said. I may take back the word "malicious", but that is the only thing I will take back.

Mr. JOHNSTON (Bow River): I am surprised that the hon. gentleman should take back that much.

Mr. HANSON (York-Sunbury): I am rather surprised myself, to tell you the truth.

Mr. JOHNSTON (Bow River): Well, we were at war for three years before the hon. member for York-Sunbury rose in his place in this house and moved the amendment he has just read, and that was the first time he ever put on record anything like that. That was opposed to the stand he took in 1939. Go back and look up the records.

Mr. HANSON (York-Sunbury): Are you sure about that, now? I think I could find plenty before that.

Mr. JOHNSTON (Bow River): I am sure of that. Then what stand did the hon. member take on the plebiscite?

Mr. HANSON (York-Sunbury): There is no doubt where I stood on that.

Mr. JOHNSTON (Bow River): No, and there is no doubt where the hon. gentleman has stood throughout in regard to the war; his party is well on record. I could go back and quote for an hour or more from speeches made by members of the Conservative party when the war first broke out.

The CHAIRMAN: The hon. gentleman has spoken for forty minutes.

Mr. BRYCE: I should like to get some information from the minister in regard to naval personnel. Naval general order No. 3098, entitled "discharge for return to essential industry or to agriculture," has this to say in paragraph 5:

A notation is to be made on the service certificate of any rating discharged under this order to the effect that he is discharged "at own request to return to essential industry or to agriculture," as applicable. The Department of Labour have given assurance that selective service mobilization boards will grant deferment from army call-up to persons who present service certificates so inscribed, until such time as the circumstances which warranted discharge have altered materially.

We have these young men who have been in the navy for some considerable time, perhaps a year or more, and have been trained at the expense of the nation. For some reason or another they are discharged at their own request, perhaps following the death of the father, and they return to civilian life. But in paragraph 6B, page 7 of "Canadian War Orders and Regulations" dated March 4, 1944, I read this:

1. When a registrar receives a notice in prescribed form from a representative of the Department of National Defence that a designated man has ceased or will soon cease to be a member of His Majesty's Canadian naval or air forces on active service and is considered fit for military training, the registrar may, whether the man resides in the registrar's division or not, serve him or cause him to be served, either personally or by registered post, with an order, in prescribed form, requiring him to report at a military centre, at a time and place indicated therein, to be dealt with in accordance with the orders and regulations of,

or relating to the Department of National Defence, and any man to whom an "order–military training" is sent under this subsection shall comply therewith and shall submit to the medical examination for which provision is made in the National Resources Mobilization Act (army) regulations, 1943.

2. Where an "order–military training" has been served pursuant to this section, the provisions of these regulations shall apply *mutatis mutandis* as if it had been served pursuant to section six.

Here you have a man who has served in the navy for perhaps twelve months and has been trained as a stoker or a seaman. He returns to take his place on the farm, as authorized by the naval department. Then he is immediately called up; the man who has been a volunteer becomes a conscript and is taken into the army. I want the minister to look into this matter and straighten it up. I consider it very unfair that a man who volunteered but who, because of conditions recognized by the navy, has been allowed to return to the farm, should be called up again by the war services board and put into the army as a conscript.

Mr. MITCHELL: With all the noise on both sides of the chamber I have not been able to follow the hon. member very well.

Mr. MacNICOL: Could you understand him?

Mr. MITCHELL: I could understand him very well; I spent two of the happiest years of my life in Scotland during the last war. If I might answer my hon. friend, if he is through—

Mr. BRYCE: I have another matter to bring up.

Mr. MITCHELL: Let us get rid of this one first. I do not know of any case of the kind mentioned by my hon. friend, and if he has one of that description I wish he would turn over the details to my department or to me; I should be very glad to look into it. To be perfectly honest with my hon. friend, I am quite unaware that such a condition does exist.

Mr. BRYCE: I can assure the minister that it does exist, and I shall be pleased to let him have further information.

Then on Friday evening the minister referred to the packing industry, which he said was employing twice as many people as in 1939. That is quite reasonable, because in 1939 we killed 5,389,000 animals, while in 1943 we killed 8,572,000, an increase of sixty per cent In addition, we must remember that more women and more unskilled labour are being employed. I should like to impress upon the minister that the packing plants require the extra ten per cent of man-power at this time. It is estimated that the weekly run of hogs will be 140,000 for the next six weeks, and the packing plants have not the people to kill them. This means that the farmers will have to take it in the neck again; the hogs will be sent from Edmonton right through to Toronto to be killed, and there is a tremendous shrinkage when that trip has to be made. According to the Department of Agriculture the weekly run of cattle will be 16,200, and the plants will be able to kill only 13,800 with the men they now employ. If you could give them ten per cent more help they could always work a few hours extra and cope with the situation. Will the minister be good enough to look into that matter, because it means a great deal to the farmers of the west? If cattle and hogs have to be shipped from Edmonton and Calgary to Toronto for killing, the loss through shrinkage is tremendous.

Mr. MITCHELL: I think it is some achievement that we have been able to double the number of employees in the packing plants of this country. I am not trying to wish myself out of a difficult position; there are not enough men and women in our packing plants, particularly in western Canada. I know something of the contribution made by the farmers of that part of Canada, and we are well aware of this condition. I think it can be truthfully said, notwithstanding some of the expressions of opinion here this evening, that we of selective service have measured up to our responsibilities. As I said this afternoon, the man-power of this country is organized as well as or better than in any other of the united nations with the exception of Great Britain. Let those people who sit behind editorial desks in some of the larger centres of this dominion repeat that statement, if they will. We are alive to this situation in western Canada. We are doing everything humanly possible to meet the labour requirements of the packing industry there. Only to-day meetings were held in Winnipeg, Regina and Edmonton, and I feel confident we can put the necessary man-power into the packing industry in that part of the country within the next two weeks.

Perhaps I should not say this, but I have no control over the number of cattle or pigs born in this country every year. I was not there when that was decided, and you cannot blame selective service for it. But once the fact exists, and we are conscious of it, we can move man-power into the packing plants to do the necessary slaughtering and to make preparation either for consumption in the home market or for shipment overseas.

Mr. BRYCE: I was not criticizing.

Mr. MITCHELL: I understand that.

Mr. BRYCE: If arrangements can be made for that ten per cent, the way it was arranged last fall, we shall be able to help the farmers who have produced the cattle and hogs that were wanted. They have never fallen down on the job. They have continued the supply, and the government has not made arrangements to take care of it.

Mr. QUELCH: I should like to ask a question somewhat similar to that asked by the hon. member for Selkirk. I have had drawn to my attention a number of cases respecting men who have served overseas, in some cases for several years, and who, upon being returned to Canada and being discharged because of medical unfitness, have been called up by local mobilization boards. I am not certain whether these are mistakes, or form part of the government's policy. It is done, apparently, with the full knowledge that these men have served overseas, because a letter I have received from the Canadian Legion states:

> Whoever is in charge of the calling up in this city is taking a very dictatorial attitude by calling these men up, and when it is pointed out that these men have already served, simply remark, "We do as we please."

So that it is not done in ignorance, when these men are called up. The mobilization board must know full well that they have served overseas.

One case brought to my attention concerns a man who was discharged as recently as April 3. Now he is called by selective service. I am asking the minister to clarify this situation. I understand that in January of this year regulations were passed which, in effect, excuse a man with overseas service from being called up. I have in mind a man named Coyle who, apparently, has been released again. Apparently when the matter was referred by selective service to the Department of National Defence, that department took the attitude that they did not want to have the man called up. Is that just one isolated case, or will that apply in regard to all men who have served overseas? What is the general policy?

Mr. MITCHELL: First of all may I offer an apology to the hon. member for Selkirk. I spoke loudly only so that he could hear; I was not being critical.

We do what the hon. member for Acadia has suggested, namely, make reexaminations. Men who are discharged from the navy for seasickness—and there are some cases of that kind—are quite capable of serving in the army. With the exception of crossing the ocean on a transport, the soldier does not have much opportunity for seasickness. I have suffered from seasickness, and I do not treat the matter lightly.

Then there are cases of colour-blindness of men at sea or in the air, where it is necessary that they should not be colour-blind. Anyone with any knowledge of the sea will understand the reason for that.

Mr. QUELCH: Are those exceptions? I am more interested in the men who, after having served overseas probably for a number of years, are discharged because of medical unfitness, not because of colour-blindness or seasickness. They are discharged because their health has deteriorated on account of overseas service. I think it is very wrong that men who have seen overseas service should now be drafted. These men have a real right to feel that they suffer a grievance against the country. Surely after a man has volunteered to serve, has served for three years overseas and has been discharged on account of his health, he should not be drafted. It is something we should be thoroughly ashamed of, and certainly it should not be done.

Mr. MITCHELL: To be perfectly frank, these men are designated by the military authorities, and we do the examining. It is quite true that we have reached almost the bottom of the man-power barrel, so far as able-bodied men are concerned. As I said before, we have to examine six in order to get one man for the armed forces; that is the position we are in at the present time. There are some who say that there is almost total mobilization in Canada. When we reach that position I think we have reached a position on a par with almost any country in the united nations groups. That is the position we find ourselves in to-day, namely, that we have to examine six men to get one for the services.

Mr. KNOWLES: Where this policy has to be carried out, I wonder if it still would not be possible to do something to take care of two kinds of grievances of which I happen to know. I have in mind a case into which, in response to my request, the minister's deputy is examining. I dare to hope that it may be taken care of. The case is that of a young man who had served three years and seven months in the air force and was discharged as being medically unfit for further service in the air force. I was permitted to look into his file by one of the senior officers, and I discovered that while his medical condition upon discharge was such that he could not continue in the air force, still it was clear that he could be of some use in the army. The young man did not object to going into the army, but he had two grievances. The first was that he would now be a conscript, despite

the fact that he had served as a volunteer for three years and seven months. His second grievance was that, although upon being discharged from the air force he held the rank of sergeant, upon entering the army he would have to start again at the bottom.

Is there anything that can be done about these two grievances? The information I have received confirms what the minister has said, namely, that it is a matter of policy. I was told by an officer in the air force, with whom I was in contact, that when the air force discharges a man as being medically unfit selective service is notified and, in most instances, these men are handed their call-up slips at the time they are given their discharge papers. Can these grievances be looked into?

Mr. MITCHELL: I shall be glad to do that.

Mr. HANSON (York-Sunbury): I should like to ask the minister some questions in connection with national selective service. My questions are based upon two paragraphs in the minister's speech of Friday last. At page 2431 of *Hansard* he is reported as follows:

> Next is the national selective service administration board, over which the director of national selective service presides. This board is composed of the associate directors of national selective service and carries the burden of the day-to-day administrative problems. As members of the administration board are also members of the advisory board, coordination of advisory and administrative functions is as complete as possible.

Of course that is a very general statement.

Mr. MITCHELL: Certainly.

Mr. HANSON (York-Sunbury): Then, this is the important paragraph, and the one upon which I shall base the questions I shall ask the minister:

> Decentralization has been provided for by the appointment of regional directors and regional national selective service advisory boards in Quebec, Ontario, the prairies and the Pacific. An advisory board for the maritimes will be constituted in due course.

I want to know why there has not been an advisory board appointed heretofore for the maritime provinces. I express this fear to the minister, that unless great care is taken, while war work is still going on actively in Canada—and that may be for the next two years—we are going to be denuded of our population down there. That would not be a good thing for the maritimes or for Canada. That is not decentralization; it is centralization. We must watch out to see that labour is not drawn off from the maritimes and other parts to the central provinces, where they may stay when the war is over and so denude us of our population. But that process is going on. I know, for instance, that the production of certain plants is being curtailed. I have one in mind at the moment, where the workers are being offered positions in upper Canada, and a good many of them are going. Is there any board whose function it is to watch that situation and see that too much of our population, perhaps a very fine part of our population, is not being depleted for the benefit of the central provinces?

The minister knows as well as I do that there is a tremendous cry in Canada, in the east and in the west, against so much centralization of industry in central Canada. I do think that is a bad thing for the body politic. I would think there are a good many contributing factors. I know this, that geography, which we cannot overcome except by means that are perhaps uneconomic, has had a tendency to drain off our industries to central Canada. I remember discussing this very problem with the late A. O. Dawson, who was for many years head of Canadian Cottons Limited. We have several cotton factories in New Brunswick, and all the raw material has to be brought in by rail. It comes up, I learned much to my surprise, all the way by rail from New Orleans in the south to Fredericton and Saint John and Milltown. I had thought that it would be brought by water, pre-war, but they tell me that that is not the case. Then, because we have such a limited population in the maritime provinces the finished product has to be sent back and marketed in central or western Canada. So that geography is distinctly against that industry in the maritimes.

I know that industries have a tendency to move to where the demand for their goods is, to where there is more money and more consumption. I have in mind a candy manufacturing establishment, very well known, producing a nationally known product. I am afraid that if that industry were damaged by fire or what-not, it would not be started up again in the maritime provinces but probably would be established in Toronto.

And hon. MEMBER: Is that Moir's?

Mr. HANSON (York-Sunbury): I am not mentioning any particular firm. We all have our favourites; they are all good, and I am not here to advertise any nationally known product. The point I am making is that, so far as I know, national selective service has not yet set up any administrative board to take care of that situation and prevent what I fear may become quite a heavy drain of our population, denuding us perhaps of the very

best part of our people. I should like to have some reassurance from the minister on that point because it is important.

Mr. MITCHELL: I am a great believer in decentralization. I think it is the greatest stabilizer that one can have in a country as large as Canada, which in area is a continent in itself, not a country. Selective service, moving along in progressive stages, reached the point where we thought there should be a measure of decentralization, and so we are setting up five regional boards, one for the maritimes, one for Quebec, one for Ontario, one for the prairie provinces and one for British Columbia. These boards resemble the national board in make-up but have fewer representatives. They help to take the weight off the national selective service board, and by their familiarity with the peculiar problems of different parts of this dominion are able to have a bearing on the policies of the national board. We hope to set up such a board in the maritime provinces in the course of the next week.

Might I say to the hon. member for York-Sunbury that while there has been some movement of population from eastern Canada, there has also been a movement into the maritime provinces from other parts of Canada, and if one looked into the figures I think they would show that more people have moved into the maritimes than have left those provinces during the war.

Mr. HANSON (York-Sunbury): Those figures would be very interesting; I should like to see them. I know that a large population of women has been moved from the maritimes to Toronto.

Mr. MITCHELL: At Halifax and Truro—

Mr. HANSON (York-Sunbury): They are populated by an influx of the armed forces, the navy particularly.

Mr. MITCHELL: I had in mind shipyards, which come directly under my jurisdiction, also the construction industry, and when you take these into account you will find that the balance is fairly even, as between the movement of labour from one part of the dominion to another.

Coal mining has been mentioned. I had a delegation to see me the other day in connection with an industry in the city of Amherst. It turned out that there was an agreement between the trades union and the employers containing a seniority clause that in any reduction of personnel the rule should be: the last man on, the first man off. Now it so happened that many of the men and women working in that plant had come in there from upper Canada, as it is called in those parts, and in view of this clause in the agreement, many of the people first laid off were the local people, being the last ones taken on. I will not say what they called the workers from upper Canada who retained their jobs in Amherst.

Mr. HANSON (York-Sunbury): They did not call them out of their name, I hope.

Mr. MITCHELL: Labour men do not always make their language conform to the rules of order we have in this house.

Mr. HANSON (York-Sunbury): Will the minister give us some assurance the situation I have spoken of will be watched carefully, and will he tell us who will compose the board for the maritimes?

Mr. MITCHELL: There will be a chairman, a representative of the wartime prices and trade board, a representative of munitions and supply, a representative of agriculture, and representatives of employers and labour.

Mr. HANSON (York-Sunbury): You have not named them yet?

Mr. MITCHELL: No.

Mr. MacNICOL: The minister knows very well why so many large industries have centred in his own riding. It is because they get the cheapest electrical power there in all of Canada. Would he suggest that these industries should decentralize and move out of Welland to somewhere else, just for decentralization? Business is not made that way. Business goes where it can get cheap power as well as for other reasons.

Mr. BENCE: I should like to pay a compliment to a very large body of workers in this country, the largest single body of workers in the country, namely, the railway men and women of Canada. In the wrangling that sometimes goes on in some parts of the country and amidst all the disturbances that sometimes arise, we are apt to forget the tremendous contribution which these railway men and women are making to Canada's war effort. They have had to overcome almost insurmountable odds in the way of lack of help and obsolete equipment such as I think no other body of men have had to face in this dominion. Everyone who travels the trains must realize the difficulties with which our railway men have to cope, and I think the patience, courtesy and restraint with which they go about their work is a remarkable example to the rest of Canada that might well be emulated by those who use the facilities which the railways provide. One of the reasons why in my opinion the railroads have been able to do the remarkable job they have

done in Canada during the war is because of the strength and the sanity of the great railway brotherhoods of this country and the good understanding they have with their members. They have applied themselves in a way that commands the admiration of all Canadians, and it seems to me that when we are discussing labour and the men who toil we should say a word of commendation for our railway men.

In a statement the other day the minister referred to vocational training, something in which I am very much interested. As reported in *Hansard* at page 2440, he stated as follows:

> As the demand of war industry and the armed forces for tradesmen diminishes, steps are being taken to adapt the training centres to provide rehabilitation training along vocational lines for men and women discharged from the forces. The Department of Pensions and National Health has asked the Department of Labour to assume responsibility for training of this type.

To my mind this is one of the very important activities of the Department of Labour, and it should be given every encouragement. I suggest to the minister that in his consultations with the Minister of Pensions and National Health he should also call in the Minister of National Defence for the purpose of determining wherein the methods which are now being used may be best adapted for transition into the peace-time period. I know that the vocational branch of the Department of Labour has cooperated with the Department of National Defence, and I understand that it has supplied in the main the instructors for most of the army trade schools in this country. The thing I am concerned about is that we shall miss an opportunity if the department does not discuss with the Department of National Defence the question of endeavouring to dove-tail vocational training in with army trade training for the purpose of ensuring that we shall have the maximum set-up, one which will be as completely efficient as possible when we arrive at that peace-time period.

I have particularly in mind something which arose a short time ago when the Department of National Defence items in the war appropriation resolution were up for consideration. At that time I raised the question with the Minister of National Defence and asked him, when it came to the matter of the retention of army trade schools in certain centres, or of the transfer of these schools, to give consideration to the post-war period. I know that in my own city of Saskatoon, where we have, in my opinion, better facilities than will be found anywhere else in Saskatchewan, we are very well equipped to perform this work, and we have been doing it in conjunction with the army and with the Department of Labour, vocational training school branch, but I find there is not as close a liaison between the army and the Department of Labour as there should be.

Mr. MITCHELL: If I might correct my hon. friend, there has been for some time what we call an interdepartmental committee on the problem my hon. friend is discussing at this very moment. It has been in existence for some months, and includes representatives of the three defence departments, the Department of Labour and the Department of Pensions and National Health.

Mr. BENCE: I am very glad to hear that. The only thing that concerned me was that I did not think the committee was working as closely together as, in my view, it should, and I made some investigations in this connection.

Mr. MITCHELL: The hon. member will be amazed at what we are doing.

Mr. BENCE: If the minister would only listen to me and investigate the particular case I have in mind, I would be very grateful to him indeed. I have discussed it with the director of vocational training, whom I found to be very cooperative in this connection, and I was hoping I might appeal to someone higher up, such as the minister, to ensure that there shall be that cooperation between the departments of national defence and the Department of Labour that I hope and believe should exist.

In his remarks the other day, the minister mentioned a yardstick of success which he regarded as applicable to matters of man-power. It seemed to me to be a very peculiar one; he suggested that it should be the number of men and women who are employed in industry or are in the armed forces. He pointed to the fact, for example, that we had more people employed to-day either in industry or in the armed forces than we ever had before. Well, I should hope to goodness we have, because, after all, this is the fifth year of the war, and one would not want for a moment to have it suggested that we should be in the unfortunate position in which we found ourselves in 1939 or the few years succeeding 1939. We would be in a very peculiar position if it were not the fact that to-day more men and women are employed than were employed a few years ago. That is not my idea of the yardstick which should govern when we determine whether or not there has been a successful man-

power policy. To my mind the yardstick is, to determine whether or not, upon an examination of the whole field, we have the right men and the right women in the right jobs. For example, is agricultural production being curtailed because more men are required in the army? Are there more men in non-essential industries than there should be? Are there more men in essential industries than there should be? I do not know. It is impossible for us, sitting here, to know whether there has been a proper allocation of man-power in this country unless we know what the ultimate objective of the administration is, how many men we are going to have in the army, whether or not a useful purpose is to be made of the home defence army, whether or not the maximum in the way of agricultural production has been reached. Until we receive the over-all picture there is, I suggest, no yardstick we can usefully apply to determine whether the administration's man-power policy has or has not been a success.

One part of the minister's statement would be, to my mind, highly amusing but for the times we are passing through, but because we are at war that statement is nothing less than tragic. I refer to the tremendous industry which is being exerted through the "head-hunting" bureau, through the employers and through the Royal Canadian Mounted Police to chase up the draftees in this country. Money is being spent; time is being wasted, and already harassed employers are being pestered, for the purpose of doing what? For the purpose of determining whether there are men in this dominion who should be in the home army. They are searching out draft-evaders for the purpose of doing what? For the purpose of putting them in uniform, for the purpose of setting them down in some particular part of the country and allowing them to eat their heads off at the public expense, with no useful purpose in mind as far as I can see.

The minister related the long, arduous trips which had been made by the gallant members of the Royal Canadian Mounted Police under adverse conditions, travelling in snowmobiles, travelling with dog teams, and all that kind of thing. I wonder what runs through the minds of these men when they are performing this duty? I wonder what runs through the minds of the head-hunting bureau, for example, when they are paid $2.50 to hunt up these men, and I wonder if they feel that these men are worth $2.50 after they find them? I wonder what the tired business men of this country, already overcome with masses of red tape, already in a position where they find it very difficult to get along, because of lack of help, because of lack of supplies, and owing to what are sometimes necessary and sometimes unnecessary handicaps in their business, think of these proceedings?

In that respect, the newspaper in my own city of Saskatoon, the *Star-Phœnix,* which is by no means of the same political persuasion as myself, put this matter very aptly the other day when it stated as follows, with respect to this particular order requiring employers to investigate their employees:

> The burden that will be put on employers and employees alike to meet the new requirement seems entirely out of proportion to the value of the order. The department may very well find that it will take as much time and trouble to enforce the new regulation as it does to track down the evaders themselves.
>
> The order reads like something issued just for the sake of getting another order on the books. Canadians are quite willing to accept what is needful for the prosecution of the war, provided they can see the relationship between the orders and the war. But to require employers in every part of Canada to examine the credentials of their employees and to oblige men who have served in the army or who have otherwise fulfilled all the many previous regulations to justify themselves all over again appears to be going rather farther than the situation warrants.

In this connection I should like to have an explanation from the minister with respect to a statement, found in *Hansard* on page 2512, which was made by the minister on Friday last:

> Instructions are issued to the registrar in each division to call as many men as possible to meet the requirements of the army.

What instructions are given by the army to the Department of Labour, and what does the Department of Labour endeavour to do as a result of those instructions by the use of the call-up method? For example, a short time ago Mr. MacNamara, in a Canadian Press staff writer's statement dated April 10 of this year, is reported as follows:

> Canada's armed forces require 98,000 men between now and next March 31, and the national selective service officials are preparing to see that the requirements are filled either through enlistments or by compulsory call-ups, it was indicated to-day.

I should like to know, in connection with these instructions given by the army to the Department of Labour, which in turn instructs the registrars, how many of these men are required for the home defence army and how many are required for the active army. I should like to know through what means, by the method of call-up, the department hopes to get men, and how many men they expect to get, for purposes of the home defence army and the home defence army alone.

With respect to postponements, and more particularly applications for leave for agriculture and other essential purposes, I would ask the minister to consult with the Minister

of National Defence for the purpose of removing political partisans from positions where such persons have the right to say whether or not a man shall receive leave—and I say political partisans advisedly. I mean people who are actively interested in the affairs of one political party or the other. In the interests of the men involved, who happen to be appointed to these positions, I think a very careful study should be made before they are put in such a position. For example, in connection with an application for temporary leave from the active army, it frequently happens where men are stationed in this country that application is made for temporary leave for purposes of agriculture or for other essential purposes of a temporary nature, and the usual procedure is for the application to be made by the man to his commanding officer; from his commanding officer it goes to the office of the deputy assistant adjutant general in the particular military district in which the man is stationed, and then the mobilization board of the district is consulted. I do not know that this is done as a matter of regulation; I do not believe it is. The mobilization board is consulted because the machinery is there and the policy of investigation is to consult it. It is consulted to determine whether or not the man should be granted leave, but the general practice is that the deputy assistant adjutant general has considerable influence in the matter of granting the leave.

I suggest that no man should be placed in that position who has very close political affiliations, not because I suggest that he will necessarily be swayed by those affiliations, but because the public will naturally distrust his judgment. I have in mind a particular situation in Saskatchewan at the present time.

Mr. MITCHELL: My hon. friend is not suggesting that political influence is brought to bear on the question of calling men for military service or granting leave?

Mr. BENCE: What I am suggesting is that where a person is in a position such as a Liberal member of a legislature and is also in a position of passing on the question whether a man shall be allowed leave or not, then there is great suspicion in the minds of the public that political considerations may be involved, and I suggest that this kind of thing should be avoided.

Mr. MITCHELL: It cuts both ways. Why talk about Liberals? Why not talk about Conservatives or the C.C.F.?

Mr. BENCE: Well, take the Progressive Conservative party, or the C.C.F.—

Mr. MITCHELL: I always take this stand: **I think all men are honourable until I find otherwise.**

Mr. BENCE: The minister either does not get my point or he does not want to, I do not know which. What I am concerned about is this. Where a man applies for leave and is turned down and he believes he has every reason for getting leave, and he happens to be a well known supporter of the party to which I belong, or the Social Credit party, or the C.C.F., he will naturally jump to the conclusion that because the man who refused him that leave is a Liberal member of a legislature there was political influence. I submit that even a suggestion of that kind of thing should be entirely avoided.

Mr. EVANS: Who is the political member of the legislature?

Mr. BENCE: The hon. member knows it is Captain J. C. Knowles. He is the member of the legislature and has been renominated.

Mr. ROSS (Souris): Is that factual enough?

Mr. BENCE: I do not know why the hon. member for Maple Creek wants to ask that question. He knows as well as I do. The point I was trying to make was that we should avoid the possibility of a man being placed in the position where he has the right to say whether or not leave should be granted. Suppose an applicant came from this man's constituency. The officer might be leaning over backwards as far as he could; nevertheless the suspicion remains and it should be removed.

Whenever this matter of man-power is discussed, or when it comes to my mind, I cannot help thinking about the man who was appointed a few years ago by this government for the purpose of dealing with the man-power question. I refer to Mr. Elliott Little, a man who had great vision and courage. I believe that if he had been given an opportunity he would have done a good job long ago and we would not find ourselves now where we are, with many mistakes having to be rectified. I wonder to what extent the present set-up, which has come about only piecemeal, differs in any major detail from the plan produced by Mr. Little a few years ago. I suggest that except for a few minor details it is not much different from the plan that was originally suggested, and if that plan had been adopted, then we would not find ourselves in this position to-day. We would not be sending men back to vocations from which they were allowed to go a year or two ago. Certainly men and women would not have been shifted around to the extent that they have had to be shifted.

Mr. HANSELL: I wish to ask the minister a question, to make a short observation and then to give him a suggestion. I am not altogether satisfied that the selective service boards are turning out in the way in which they were first expected to operate. I am going to ask the minister to consider making the situation such that when men and women go to the selective service offices seeking employment they will have a certain amount of freedom. The picture as I see it is this. The employer has an opening for a man, perhaps in a store or an office. He applies to the selective service offices. I do not know what is done there, but a man who wants a position goes to the selective service offices. He does not know who his employer may be. The employer does not know whom he may have to employ. Instead of the selective service offices being a sort of clearing house to keep the records straight and attempt to supply and satisfy all industry and all employers, it becomes a sort of bureaucratic institution which has a tendency to push men here and there, and to push on to an employer perhaps somebody with whom he is not altogether satisfied. That is the picture as I see it, and I believe I am right in giving that picture.

I am reminded of what seemed to be the situation last fall. I bring this to the minister's attention, but I do not want him to think what I am about to say is all hearsay, because in this case I happen to know what I am talking about. Last fall the Royal Canadian Air Force put on a campaign to induce women to join the R.C.A.F. I know there was an attempt on one or two occasions by the selective service officials to persuade, very carefully and very cleverly, certain young women to join the R.C.A.F. when they went to the selective service boards looking for employment. I know that happened. I know what took place. The conversation goes along something like this: "What sort of work do you wish?" says the official. The reply is: "Well, I would like anything I can get. I am willing to work hard. I do not want to go out minding children, but I do not mind working in a store." The next question is: "Would you like a stenographer's job?" The answer is, "Well, I cannot do stenography." Then eventually the conversation gets down to the place where the official says, "Well, you know, if you join the forces you can get a job there, and they will teach you. They will train you and you can receive pay while you are training." I know that is what happened. I am not making any drastic accusations or anything of that kind, and I do not want to be unkind. But I should like to know whether the duties of the selective service officer call for him to do that or whether he is to satisfy the employer and the person who is looking for employment. The thing seems to be a bit shrouded in mystery. A man or a woman goes into the office. They do not know what they are to get. They do not know what is open. They are not told what is open. They say, "I do this", or "I do that", or "I do something else". "I can do so many things. I should like to get employment". Then they are told where they should go. The same situation applies to the other side of the picture with the employer.

I suggest to the minister that when a man goes to the selective service offices there should be some way by which he can choose his position. I do not mean that the selective service officers should be turned into the old-time labour office where men went and paid so much and saw all sorts of positions put up on big cards on the side of the wall somewhere; but I believe that the selective service officers should be more open in this respect. I suggest that there should be a bulletin board where all those positions that are open should be displayed so that a man could look them over and say to the selective service officers: "I can do this; I want to apply for this position." The employer's name should be displayed as well so that the man has some measure of freedom in seeking the work he wants to do. The employer should be able to put an advertisement in the paper. I do not mean that he should be allowed to handle the whole thing himself, although I would not be adverse to that. The individual could then apply through selective service for the position, giving the name of the firm, and as far as that goes, the individual could go to the firm and say, "I am looking for this job; am I competent?" They should be able to say: "Yes, we will take you; go and clear with the selective service officials."

I make this suggestion to the minister, namely, that all the positions that are open should be open to the observation of the men and the women who want the jobs, and that the employer should have some measure of freedom in choosing the man or the woman that he wants to employ. Would the minister give some consideration to that? I think it would tend to satisfy the employer and the employee, much more than the system does at present. I have always thought that water would find its own level; that is, nature, if it is left alone, will do very well. I think the same principle applies in a world of free men. I do not believe that you can begin to push men around, regiment them, put them here and

there against their will, or against their knowledge, and expect the most harmonious relationship between employers and employees and the middleman, which is the selective service board.

I believe that the minister will find all kinds of trouble and criticism if there is not a little more freedom among employers and employees in relation to the selective service board. Would the minister give some consideration to having these positions either on a bulletin board or exhibited in some way so that men seeking employment would know where they could go and have some choice in the matter?

Mr. MITCHELL: I appreciate the suggestions that my hon. friend has made, and while I am conscious that there is a measure of criticism of the Department of Labour and the minister, yet this is one of the few opportunities that the minister gets to meet his peers when we are discussing the policies in connection with the different departments of government. The first point raised by my hon. friend was that of the recruitment of women for the navy, the air force and the army. I want to be perfectly frank with him. This is the policy of the labour department. When France fell I was one of the strongest advocates of taking women into the fighting forces, because every woman you take in frees a man for a more active part in the three services. We are proud of the contribution that we have made to the fighting forces through the instrumentality of selective service as a recruiting agency for the young women who have joined the three departments of our armed forces. It is absolutely voluntary. There is persuasion, it is true, but let me say very frankly that there is no coercion.

On the question of selective service, at the top we have what we call the national selective service advisory board on which are represented all the armed services, the prices control board, munitions and supply, labour, agriculture and the various employers' organizations. On any major question of high policy no move is made until this board is consulted. May I say this to the hon. gentleman, who is not in his seat at the present time: Those of us who take our minds back to twelve or eighteen months ago realize you cannot solve a problem by running away from it; you have to stay with the ship. No one appreciates more than those in the labour department the difficulties and complexities of organizing the measure of selective service that exists in this country to-day. We have had to issue plenty of shalls and do's and don'ts and won'ts; but I want to say to the committee—and this is in line with the thought of my hon. friend—that when this war is over I hope it will be said of me that nothing I did had the effect of impairing the fundamental principles of freedom that have made this country what it is to-day. We have passed through many difficulties, including the poaching of labour when employers were stealing the employees of other employers. I remember the questions asked in that connection in this house before I came into the ministry. The real core of our man-power policy is the control of man-power. I was in Philadelphia a week ago. I picked up the *Sunday Inquirer* and found seven pages of "help wanted" advertisements, which is an indication that they are passing through the same uncontrolled condition in regard to industrial, farm and commercial labour that we passed through two years ago. I want to say to the committee that without the controls we have in operation at the moment, such as the priority of industries and control over the movement of men and women, we would have complete chaos in Canada.

The fundamental fact we must keep in mind is that to-day the per capita production of this country is the largest of any nation in the world. Do not take my word for it; Madame Chiang Kai-shek made that observation right in this chamber when addressing members of the Commons and the Senate. That is the result not only of the genius of the Canadian people but also of the measure of labour control we have in this dominion. I want to pay a tribute to employers, employees and farmers, and to their various organizations. We sometimes like things to reflect to our own glory, but these results would not have been possible without the active cooperation of those forces in the life of this nation. I cannot and would not promise any hon. member—and goodness knows I get enough pressure from all directions—that there will be any slackening of these controls until the labour situation is much easier than it is at the moment. I remember that last fall certain members of this house went up and down the country saying there would be an unemployment situation in Canada this spring, with 100,000 people out of work. I do not know why they said those things, whether it was for political reasons or to embarrass the government, but in my judgment it does not reflect credit upon any responsible member of this house to express in public a thought of that kind when we are facing the most desperate hour in the history of this nation.

Mr. TUSTIN: Who made that statement?

Mr. MITCHELL: My hon. friend knows who made it.

Mr. HANSELL: Do not look at me.

Mr. MITCHELL: I am not looking at my hon. friend.

Mr. TUSTIN: Who made it?

Mr. MITCHELL: The leader of the C.C.F. party made the statement.

Mr. CASTLEDEN: Does the minister know the number of unemployed at the present time?

Mr. MITCHELL: I can get that figure, but I can tell my hon. friend that I could put 160,000 people at work to-morrow morning if he could find them for me.

Mr. CASTLEDEN: I suggest that there are a good many around that the minister has not found.

Mr. MITCHELL: I was trying to answer the very kindly suggestions offered by the hon. member for Macleod, and now I am going to sit down. Let us be frank and honest; I believe selective service works in a scarce market. When the market is freer there should be a measure of choice on the part of the employer as to those he employs, and on the part of the employee in search of a job; but while the present tight situation exists I cannot give any guarantee at all that the present measure of control will be relaxed one iota. I can go that far.

Mr. NOSEWORTHY: I listened with a great deal of interest to the comprehensive report the minister gave us the other evening, which contains very much that is extremely commendable. I was particularly interested in the features pertaining to education, and when those matters come up for review I shall have something further to say. This afternoon I was very much interested in the remarks of the hon. member for Lake Centre. I am not nearly so disturbed about the increased purchase of civilian goods in 1944 in comparison with 1939 as the hon. member appears to be. I think he loses sight of the fact that in 1939 large numbers of our people had been without purchasing power for many years. Now that they are in possession of some purchasing power it is only natural that they should spend part of it to acquire goods which they were forced by economic conditions to go without for many years prior to the war. The hon. member for Lake Centre also had a good deal to say about equality of service and sacrifice. On some occasion I should like the hon. gentleman or someone in his party to explain to the house just what they mean by that expression, which I have heard them use many times. Just what do they mean when they refer to equality of service as between different parts of the country or as between different classes within the country? I think it would avoid considerable confusion if we knew just what meaning they attach to the term.

In connection with selective service I should like to endorse the statement made on Friday evening by the hon. member for Cape Breton South as to the importance, in the selective service machinery, of those who make the first contact with people seeking employment. As the minister has just pointed out, it is very difficult to undertake to direct men from one industry to another, or to tell Canadians, who all their lives have been free to choose jobs to their own liking when they could get them, where they must work. I think a good deal of the criticism I have heard in regard to selective service arises from the lack of understanding and courtesy on the part of those who have the first interviews with people coming to selective service for positions. I realize that the minister has had to make use of untrained, unskilled people. Any effort that can be spent on training those people to make that first contact with the public, so that a man or woman who comes to discuss the question of a job with selective service is not given to feel that the selective service officer is looking down upon the unemployed person, would be worth while. Anything of that kind should be avoided, wherever possible.

As I have seen the long queues of unemployed, or those seeking to transfer from one job to another, as I have seen them lined up in some of the Toronto offices, particularly on Spadina avenue, I have wondered if there is not some way of avoiding some of that complicated procedure which is followed. It seems to me that when a man registers with selective service, and selective service have his card on file, they must know what he is capable of doing, and what his experience and qualifications are. They have the whole case history on their cards, and it seems to me it should be possible for selective service, upon being notified by an employer that he wants a certain type of employee, to notify such employee who might be qualified for the job, and to instruct him to go directly to that job. It should not be necessary for him to make a trip, sometimes of many miles, to the selective service office, and stand in line possibly for hours—and in many cases have to go back more than once to make contact with the job. Even then, a person may be sent to a job that has been filled by the time he gets there. I am wondering if there cannot be some short-cut whereby some of that inconvenience and annoyance may be avoided. Is it not possible to notify the employee direct as to where he may apply for a job for which he is fitted? Any study that can be given to that phase of the programme would help.

I have noticed from time to time that there appears to be little coordination between different offices of selective service. A man comes into a selective service office, and they have nothing that fits his qualifications. They appear to have no record of vacancies which would suit him, but which might be on file in other offices. I recall, for instance, a graduate druggist going into a selective service office, and the only job the office could offer him was one in a lumber camp. They had not a single opening on their files for a graduate chemist. I am sure there were other offices that had on their files vacancies for a man with those qualifications. I am wondering just what co-ordination there is among different offices within selective service.

As I have moved from province to province I have noticed that there is considerable lack of uniformity, particularly in the manner of getting those men from industry, temporarily employed on farms, back into their original jobs, or back into industry. I find that in Ontario the practice appears to be that of sending a registered letter to the employer, a similar letter to the employee, and a registered letter to the farmer for whom he has been working. That appears to be a good deal of duplication and waste of time. An enormous number of clerks must be employed as stenographers to write those three letters and to register them. Yet all this must be done to get a man back from a temporary farm job into his original job in industry. It seems to me there should be some shorter cut to effect that transfer.

Then I am wondering what cooperation the minister and his department are getting from employers in the matter of lay-offs. I was in Amherst, Nova Scotia, when a considerable lay-off took place from the Canadian Car and Foundry company, and I discovered that the men were on the streets before selective service knew anything about the lay-off. I am wondering if the department is getting the cooperation to which it is entitled. Certainly employers can assist in this whole business by keeping selective service informed well in advance with respect to lay-offs about to take place, and also as to what their needs will be, in order that selective service may have an opportunity to fill those needs. I have heard selective service officers in different towns complain that often men were thrown upon them, from industry, without very much notification, and that demands were made upon them by industry without much advance notice.

Certainly the minister or his department cannot be blamed for that; but it is one feature in which this whole business of selective service can be improved. I hear unofficially that the minister's department is now making a job survey across Canada. If that is so, I wish to commend the minister. It is something I am sure he should have done long ago, and something which is certainly most timely to-day. I would say simply this to the minister, that I have heard that those who are entrusted with this important task are greatly understaffed, and cannot be expected to make a really efficient survey, or to do an efficient job unless more assistance is given to them. In my opinion this is a very important job, and every possible cooperation and assistance should be given to those who are to undertake the task.

This afternoon I listened to the debate between the hon. member for Lake Centre and the minister with respect to all those missing men. I believe the hon. member for Lake Centre placed on record the estimated figure at 350,000. I believe the figures showed by the minister's department are to blame for the conclusion reached by the hon. member. I am surprised, however, that he kept the figure down to 350,000. I have before me three returns tabled by the minister's department, and I can prove conclusively from those figures that there are at least 700,000 men missing.

Mr. MITCHELL: You must be a statistician.

Mr. NOSEWORTHY: I am not a statistician, but I can add and subtract figures. It can be shown conclusively from three separate sets of figures issued by the minister's department that there must be at least 700,000 men unaccounted for. That, of course, cannot be the fact. But the tables published by the minister's department justify one in reaching that conclusion. I wonder if the minister is not the victim of circumstances in this case. Probably he has inherited something there. I wonder if the minister or any other department of government has a record or whether there is a cross-check between the Department of National Defence and his department that would show clearly just how many men of those called up had, prior to their call, or immediately upon their call, or between the time they were called and the time they were supposed to report, voluntarily enlisted. Without those figures one can only guess at how many men are unaccounted for. One cannot possibly estimate the number unless he has an accurate record. I should like to know if there is any such a record in the minister's department or in any other department, going back over the years.

There is another matter on which I have heard some criticism. This does not come directly under the minister's department, although it affects it. There is considerable confusion over the medical examination.

The CHAIRMAN: Order. The hon. member cannot discuss the medical examination under this item.

Mr. NOSEWORTHY: Very well, Mr. Chairman, I will bring my remarks on that subject to the attention of the committee at some other time.

It is quite evident that there is a lack of uniformity across the country in the penalties inflicted for default. I think that was brought out quite clearly this afternoon. I would suggest to the minister that if the man who refuses to respond to his call is to be let off with a twenty-five dollar fine one may very well expect a great many men to shirk their call. The lack of uniformity in the penalty as between different provinces and different parts of the same province is a serious matter, and some check should be made of it.

The minister in his statement dealt with conscientious objectors. There is some confusion regarding the figures given. There are something over 8,000 conscientious objectors listed in the table given by the minister, and only about four or five thousand of them are accounted for by the minister's figures. I do not know where the others are, whether or not most of them are at Chalk River. I do not think the minister gave us the number of conscientious objectors in the camps.

Mr. MITCHELL: Five thousand is a cumulative figure.

Mr. NOSEWORTHY: I have had enough correspondence with conscientious objectors to realize the difficulty that the minister and his officials are running into, particularly with the class of conscientious objectors who refuse to submit to selective service regulations in any way or form. I just want to offer this caution. I am satisfied that some of these conscientious objectors are taken off farms and sent into work camps who, if they were not conscientious objectors, would be left on the farm.

Mr. MITCHELL: It is just the reverse. May I make this observation. If it were not for the fellows up in the air, or serving in the army or on the sea, there would not be any conscientious objectors left in this country. I always keep that thought in mind.

[Mr. Noseworthy.]

Mr. NOSEWORTHY: I always keep it in mind, too, but my point is that the moment a man gets a deferment on the ground of being a conscientious objector, automatically he comes under the regulations of the labour department. If a man is granted deferment on the ground that he is essential to industry or agriculture he is left at his employment there. But conscientious objectors are taken off the farms. I do not know what the solution is. I can see the difficulty, but there is that point I have made and I think something could be done about it. Unquestionably there are men at Chalk River and at other camps who could contribute more to the war effort on the farms or in the industries from which they were taken.

I think the minister gave us, or I received from somewhere, an indication that some provision is being made or contemplated for the dependents of conscientious objectors. I have met with a large number of these dependents who have to depend upon monthly relief for the support of their family because the conscientious objectors are in work camps. If some provision is being made for these dependents I would say it is praiseworthy.

Mr. MITCHELL: We have already made that suggestion to the provinces.

Mr. ROSS (Souris): Mr. Chairman, I desire to ask a question or two on these estimates. But first let me say that the hon. member for Lake Centre this afternoon proved, I think to the satisfaction of the committee, that Canada has the most embarrassing man-power situation of all the countries of the united nations. The minister will agree—

Mr. MITCHELL: You are just kidding yourself, trying to wish us into that position.

Mr. ROSS (Souris): Let me say to the minister that I take second place to no member in trying to get recruits for the armed forces. When the minister of National Defence asked in this house for the assistance of hon. members in getting recruits, I will venture to say that no supporter of the government from any province did as much as I tried to do in getting recruits for the army, the air force or the navy.

In the debate this afternoon between the hon. member for Hastings-Peterborough and the Minister of National Defence I interjected: What a difference it makes whether one is on the front benches or in the front line! The minister said that he had always been on the front benches.

Mr. RALSTON: I said I was on the front benches at the time of the thirty days training.

Mr. ROSS (Souris): I realize that, but that is not what I had in mind. I pay compliment to the minister on his very fine record in the last war. That is what I was referring to when I said what a difference it makes when one is in the front line, because when the minister was in the front line serving as a gallant soldier and officer he wrote back to Canada urging national government and conscription. But now he occupies a position on the front bench—and that makes a difference! May I add that a good many members who are ex-service men and members of the armed services to-day did think they would have a very much better friend at court than they apparently have in regard to the man-power policy necessary for this country. I think that is a true statement. I want to make it quite clear that I have always taken every opportunity to assist recruiting for the three armed services. True enough, I may have been elected in 1940 as opposed to conscription. I made my stand very clear immediately upon the fall of France and other European countries; it will be found recorded in *Hansard* of November 10, 1941, at page 4210; and I have never veered from that stand at any time. I do not think we have national selective service in operation in this country yet.

Let me give the committee one or two examples. A young chap, a neighbour of mine, volunteered for service in the air force, hoping he would "make" the aircrew He did not make aircrew; he is now in groundcrew. He has clear title to a section of the best land in Manitoba, and it was a splendid farm. In recent months his father-in-law, who was operating the farm, has been told by his medical adviser that he cannot work any longer on the farm. This young chap thinks that, rather than be in groundcrew, he can render better service by operating that farm, but so far his efforts to get back to the farm have been fruitless.

I can take hon. members to another constituency over the border, in another province, and point out a somewhat similar case, a V.C. of the Boer war who is farming, who has only one son, that son being in the armed services, and has been unable to get him out of the service to assist him on the farm. A farmer next to him has six sons of military age, all exempt upon the pretext of assisting in farm work, though the story the neighbours tell is to the effect that they are not making any great contribution to the war effort, either on the farm or anywhere else.

I give those two cases as concrete examples. If there is no coercion, no conscription in respect of this recruiting system for home defence, I wish to ask the Minister of National War Services, are these officials instructed to advise a young man who answers the call as to where he can best serve? My understanding is that no young man is granted postponement or exemption unless he asks for it. Many young men to-day, under the patriotic urge, will not ask for postponement or exemption; and I say that this government are taking advantage of that fact in order to raise an army. National selective service is not functioning as it should As I see it, officials of that board should be in a position, after hearing the evidence of these young men, to advise them whether they can render the best service back on the farm, in some cases as executives in industry, or in the armed services; and I do not believe that that is being done, nor do I think that it is provided for in the regulations.

Mr. RALSTON: I may tell my hon. friend that—

Mr. ROSS (Souris): I believe it comes under the Minister of Labour. These services should be closely coordinated. After all, their work is interlocked. I deprecate the entire policy of the government in the matter of raising an army on that basis, and I say that national selective service is not operating as it should for the good of our war effort and in the national interest. I should like the minister to answer the question I have put to him. If I am wrong I want to be so informed. When a young man appears, the onus should not be upon him to enlist if in the opinion of the board he can render greater service in industry or agriculture. I do not know how the Minister of National Defence can argue that there is no coercion, because you are distinctly playing on the feelings of these young men, first to conscript them in the home defence army, and then, by sending V.C.'s and other officers with decorations to the camps, to try to coax these chaps into believing that it is their duty to volunteer. That is not a manly policy to have in effect in a country such as this.

Mr. MITCHELL: On a voluntary basis the only man who cannot join the army is the coal miner. At this moment he cannot enlist in any of the services. I thought that was generally known. In agriculture, all a young man has to say is, "I am in agriculture," and that is the end of the story.

Mr. ROSS (Souris): Without asking for postponement?

Mr. MITCHELL: Certainly, he does not have to ask, if he says he is in agriculture.

Mr. ROSS (Souris): He is granted postponement?

Mr. MITCHELL: Absolutely—automatically.

Mr. TUSTIN: It is not as simple as that.

Mr. ROSS (Souris): It does not function in that way in our province, and we have an efficient board.

Mr. MITCHELL: Of course there is a measure of investigation. Take the case of the hon. member; I happen to know he is a good farmer; but a man might come to me and say that he is a farmer and yet be the only man on earth who thinks he is a farmer. In industry, the application has to be made by the individual and supported by the employer, and the employer of course does not have to support the application if he does not want to. It is just as simple as that. We do not call up coal miners and they cannot join on a voluntary basis. The farm situation is that if a man is a genuine farmer he is automatically postponed.

Mr. ROSS (Souris): Without asking for it?

Mr. MITCHELL: If there is any doubt—

Mr. ROSS (Souris): Certainly, there is always a doubt.

Mr. MITCHELL: Then you get the third point, that in industry the man himself makes the application for postponement and he is supported by the employer.

Mr. ROSS (Souris): The minister is not telling me that when a young man appears before that board and states he is an agriculturist he is granted extension without asking for it?

The CHAIRMAN: Order. I will ask the hon. member to address the Chair.

Mr. ROSS (Souris): I am sorry.

The CHAIRMAN: It is a rule which should be followed.

Mr. ROSS (Souris): I understood the minister to say that when a young man appeared and said he was an agriculturist he was automatically granted a postponement or an exemption. My understanding is that he must ask for a postponement or exemption.

Mr. MITCHELL: That is quite true.

Mr. ROSS (Souris): And then he does not always get it. But he must ask, in any event.

Mr. MITCHELL: I think that follows. If you went before a board, what is the first thing I would ask if I were chairman of the board? My first question would be, "What is your occupation?" The applicant says he is a farmer. It is just as simple as that.

Mr. ROSS (Souris): The point I was trying to make is that this is a policy of playing on a young man's feelings to get him in the armed services, and the minister states he must ask for postponement or exemption. This board in no case advise the young man that he should be back on the farm or be in industry; they want him to enlist in this draft army, and every effort is put forward to achieve that end. I think the minister will agree that that is right.

Mr. MITCHELL: No. I cannot agree with that, and I cannot keep on explaining.

Mr. ROSS (Souris): Under the regulations the young man must make application in writing for postponement.

Mr. RAYMOND: I desire to make a very few observations, and the first one will be with respect to the order in which the items of this department are discussed. When, on February 11, the Minister of Finance introduced his resolution to provide for the sum of $3,650 millions, he made a break-down of the estimated war expenditure and indicated the order in which the various items should be discussed. I do not know why there has been this inversion of the order which was indicated by the Minister of Finance for the discussion of the estimates. Is it because the minister wanted to pass his estimate on a Friday evening or on a Monday? To-day we were supplied with a sheet showing a statement of estimated amounts required by the Department of Labour, and instead of having as the first item, as indicated by the Minister of Finance, the war emergency training programme, we find the national selective service programme. I am at a loss to know why this change has been made. The leader of the opposition has time and again complained about not knowing what was going on, what was to be discussed after we come here. We do not know what discussion will take place or what the order will be. In this case the minister has seen fit to change the order indicated, which we were entitled to believe would be adhered to. Moreover, we were supplied this afternoon with a statement printed in English only. I asked for a French copy of it but I was told there was none. The French language has a right in this house, and I am one of those who believe that, if it has, it is high time we were entitled to a French copy of everything printed. Last week we were discussing amendments to the standing orders of the house and were supplied only with an English copy. An hon. member opposite asked for a French copy and could not get it and to-day again we cannot get a French copy. We have only an

English copy, which is different, as indicated on February 11 by the Minister of Finance.

And now I intend to continue my observations in French.

(Translation): I wish to bring to the attention of the committee the obviously absurd manner in which the provisions of the mobilization act are carried out. I do not know whether conditions are the same in the other provinces, but such is the situation in the province of Quebec. On February 8, 1943, the minister sent us a copy of some directions given in connection with the growing shortage of farm labour. Here is one passage which I wish to quote:

> Owing to the growing shortage of farm labour, it becomes increasingly important to encourage essential farm workers to remain on the land.

That is the direction which the Minister of Labour was giving with a view to keeping farm labour on the land. Unfortunately, those instructions were not followed, and I am going to give many examples. The other day, during the discussion of the estimates of the Minister of National Defence (Mr. Ralston), I brought some facts to his attention and he referred me to the Minister of Mobilization, adding that all he has to do is to ask the Minister of Mobilization for a certain number of recruits, and he undertakes to call them.

Well, it has happened many times that a farmer who had already been examined and placed in category E, and who was accordingly unfit for military service, was called again for a new medical examination in Montreal. The other day, the Minister of National Defence pointed out that it may sometimes be important that a new examination be made of recruits or of men liable to be called.

That was the case of a farmer who had already been called for medical examination and who, therefore, had applied for postponement as a farmer. The Department of Mobilization was aware of all the facts; they knew that the man was a farmer, that as a result of the first medical examination he had been put in category E, but they were calling him again for a new medical examination, at the very time when farmers were requested to remain on their farms. And I could mention several cases. There is, for instance, the case of a young married man who owned a 160-acre farm which he operated alone. He had to lose one or two days to undergo a new medical examination in Montreal and during his absence his neighbours had to take care of his herd of cows. That was an unnecessary expense, in the first place, and a loss of time for that farmer.

I would ask the minister to tell us how many farmers have been called for a second medical examination. I would ask him when opportunity allows, to kindly give me this information, and to tell me the cost of this second examination of farmers in the circumstances I have just mentioned. There are also other cases. A number of men were called for medical examination and although they applied for a postponement, they were ordered to report to a military training camp two or three days after undergoing the examination. This was a violation of the mobilization regulation which reads as follows:

> The registrar shall not, while an application for a postponement order is pending before the board, send the applicant an "order—military training."

After submitting to the medical examination, the applicant had fourteen days in which to apply for a postponement, and he had done so. And there is a large number of similar cases. I do not claim, however, that all this was done since the present minister is in charge of the department. However, I have in my files numerous cases where a called-up man who had applied for a postponement two or three days after receiving the first notice, received an "Order—Military Training". What was the consequence? A good many farmers went to training camps, under the impression that their request for a postponement had been rejected. And it took not only days and weeks, but often months to get them out of the camps after they had proved that they were farmers' sons and were entitled to deferments. During that time farms were neglected.

I recall the case of a 72 year old farmer, whose only son was called up. The old man was left alone to look after the farm and a herd of dairy cows. The son's postponement was not granted and he had to go to a training camp, where he had to stay for months before being released. The neighbours had to tend the cows and look after the other farm work. Farmers are asked to increase production; rationing has been resorted to; a shortage of farm help is being experienced; crops are rotting on the field and, nevertheless, farmers' sons are still being called up. Last week, a creamery operator who processes the cream of the farmers of the township, and who makes butter for which there is such an acute need, saw with great dismay his buttermaker called up for a medical examination although he had been given a postponement until next July. Can anyone imagine such a way of carrying out the provisions of the act? That man had been granted a postponement until July and he was called for a new medical examination. He was kept away from his farm during three

days, and meanwhile there was an accumulation of cream because no one there could make his butter.

And what about the recruits who are called and who suffer from tuberculosis. The following question was recently asked:

How many members of the armed forces on duty in Canada only have been discharged on account of tuberculosis of the lungs?

The answer was that 2,489 persons had been discharged from the army because they were suffering from tuberculosis. And it was further stated:

Most of the cases had the disease on enlistment and were discharged as soon as the result of the X-ray plates was known.

How is it that they had been accepted in the army if they were suffering from tuberculosis? 2,489 men were suffering with this disease and were nevertheless kept in the armed forces, thereby exposing the others to possible contamination. Had ordinary care been taken, this would not have happened. I shall say nothing of the expense this represented for the taxpayers who always pay the bill in the end.

In spite of statements to the effect that fewer men are required, within Canada, for the defence of the country, more men are being called. I asked a question from the minister last March and, on the 27th of that month, he gave me his reply. Here is my question:

How many persons were called for their medical examination under the mobilization act, (a) during the month of January, 1944; (b) during the month of February, 1944; (c) from March 1 to March 15, 1944?

The answer was:

January, 1944, 26,007; February, 1944, 23,119; March 1-15, 1944, 8,174.

To a second question worded as follows:

How many persons received a notice to report for military training under the mobilization act, (a) during the month of January, 1944; (b) during the month of February, 1944; (c) from March 1 to March 15, 1944?

The following answer was given:

January, 1944, 14,766; February, 1944, 12,172; March 1-15, 1944, 6,950.

And it is stated that fewer men are required within Canada, for the defence of the country. Well, let us stop fooling the public by insinuating that the men called for defence of Canada within Canada are really brought into the army for this purpose. It is to train recruits for overseas service, as the minister admitted the other day. It is a method of disguised conscription for overseas.

I come now to the order issued a few weeks ago by the Minister of Labour and which compels every employer to report his employees who might not be complying with the Mobilization Act. This order even compels the father to report his son, the brother his brother, under penalty of a fine or imprisonment.

Male employee comprises any man in your employ, including those related to you.

And in a set of instructions, later supplied to employers, the same definition appears:

The expression "employer" also comprises any farmer operating a farm and who has a male employee even if he be his son or a relative.

I state without hesitation that, in this order the government is resorting to methods unworthy of a civilized country. To my mind, nothing is more inhuman, more antisocial than to compel parents to denounce their own children. In the name of the most elementary principles of justice and charity, I ask the government to remove this shameful order from our statutes. In this, I simply echo the numerous protests that have come from all parts of the country. All our public bodies have expressed their disapproval. In spite of all this, such an order is maintained.

I also wish to call the ministers' attention to order in council C.P. 1355, of March 4, 1940, which reads as follows:

The minister, upon being informed by the Department of National Defence that a specified number of men are required for military training, may instruct any registrar to apply these regulations to a specified number of men from his division, and may inform a registrar how many French-speaking men are required.

I ask the minister why he has inserted in this order in council a special provision relating to French-speaking Canadians. I thought that in this country of ours we were all Canadians and that when men are called into the army there should be no distinction between French Canadians or English Canadians or Canadians of any other race, because we are all Canadians. I fail to see the object of this special distinction applying to French Canadians. As long as the Minister of Labour has not given a satisfactory explanation, I shall take it that this provision has been aimed at the French Canadians.

I shall have other remarks to make on this department's estimates. For the present, I call the minister's attention to he facts I have indicated to the house, in the hope that he will give them due consideration and that he will take steps to remedy the difficulties I have mentioned.

Mr. HLYNKA: I would not have risen at this time had not the minister stated that

"all a young man has to do when called up is to say that he is engaged in agriculture and he is automatically granted a postponement." The minister is entirely wrong. In practice the onus of proof at all times falls upon the man applying for postponement. As a matter of fact, the applicant is sent a questionnaire which must be filled out and signed by a mounted policeman if there is one within a radius of twenty miles; in most cases applicants send in sworn affidavits setting out the facts. I should like to tell the minister also that even many of those who have been granted postponements are advised from time to time that their postponements are cancelled, and that they must make new applications if they wish their cases reconsidered. In most of these cases conditions have not changed; yet the men are told that their postponements cannot be extended indefinitely. Why, then, should the minister make the statement in the house that agricultural postponements are readily granted when applied for, when he should know that such is not the case?

The point I wish to stress is that we know that men are needed for the armed services and that pressure is being applied to obtain men engaged in agriculture. They are told that their postponements cannot be carried on indefinitely and that sooner or later they will have to report for duty. We should be frank about the situation and state it in clear terms. The man-power policy of the government is that if a mobilization board finds that a man can be persuaded to enter the armed services, everything possible is done to get him to do so, even though he may be absolutely necessary on the farm. He cannot obtain his postponement unless and until he can prove beyond doubt that his parents could not possibly carry on without him. Statements like the one the minister made do not clarify the situation. When touring my constituency I was asked by many of my constituents, "Why does the government continue to announce over the air and in the press that postponements are being granted, while applications for postponement are in many cases flatly refused?" I think the minister should tell the house and the country that our man-power pool is being exhausted, and that pressure is being applied to get as many men as possible for the armed services, wherever they may be obtained.

Mr. MITCHELL: I do not think my hon. friend should put up a straw man just in order to knock him down again. The hon. gentleman has suggested that I have not been frank. Perhaps I was too simple. Some people think that if they make a statement so complicated that they do not understand it themselves, other people should understand it. I told the hon. member for Souris it was as simple as this. A man goes to the board and asks for a postponement. If on investigation he is proven to be a farmer, the application is granted.

Mr. HLYNKA: Not so easily.

Mr. MITCHELL: Let us look at the record of postponements. The figures are as follows:

Farming	145,529
Fishing	2,317
Lumbering	5,382
Mining	2,562
Essential industries and services	52,341
Students	14,497
Conscientious objectors	8,285
Merchant marine	2,729
Compassionate	2,443
All others	16,540
Total	252,625

Most of the conscientious objectors are farmers as well. It will be seen from these figures that over fifty per cent of the postponements covering all industry in Canada are granted in connection with agriculture. I think that should be an indication that the boards across this country have given due regard to the directives or regulations concerning the protection of the industry of agriculture.

Mr. HLYNKA: I am not saying anything about the boards. The boards are placed in an impossible position. They are told to get the men.

Mr. MITCHELL: They are not told to get the men contrary to regulations. Probably my hon. friend wants to go out and make a speech when he gets back home, but I cannot let a statement like that go by.

Mr. HLYNKA: In my office upstairs I have a number of applications and affidavits concerning cases where there is only one son left at home, with two or three quarter-sections of land to look after. The father may well be up in his late sixties or early seventies; yet the application for postponement is refused. I am speaking from the practical point of view; I have taken up many of these cases. To say in this chamber that "all a man has to do is to say that he is needed in agriculture and he is granted a postponement" is not in accordance with facts. I did not find that to be true in the part of the country from which I come.

Mr. ROSS (St. Paul's): Did I understand the minister to say that one out of every six men called was rejected?

Mr. MITCHELL: No. We have reached the point where we have to call six men in order to get one; five of the six are either postponed or rejected.

Mr. ROSS (St. Paul's): Then I should like to refer to table No. 11 which the minister placed on *Hansard* during the course of his remarks. I have before me some of the percentages in class A. We find that in London it is 49 per cent, Toronto 49·6 per cent, Kingston 49·2, Port Arthur 52·8, Montreal 30, Quebec 29·3 per cent—and there are others at 45, 48·8, 51·9, 48·6, 49·7, 55·5 and 56·1 per cent. Is the health of the province of Quebec as bad as that figure would indicate?

Mr. MITCHELL: I cannot express an opinion upon that.

Mr. ROSS (St. Paul's): I did not hear the answer.

Mr. MITCHELL: I do not think it is fair to express an opinion on that. However, he who runs may read. There are the figures which have come to my department.

Mr. ROSS (St. Paul's): Have those figures ever been investigated?

Mr. MITCHELL: There are the figures.

Mr. ROSS (St. Paul's): I do not see how there could be that much discrepancy.

I should like to ask the minister a question in connection with the reinstatement of returned men, those getting their positions back upon discharge. I imagine that would come under this item. They return to their jobs, and to positions not worse than they would have had, if they had not enlisted. What is done about that? Is there anything done so that these men are put back in jobs not worse than they would have had, had they not enlisted?

I have several cases here about which I wish to make some inquiry. I do not intend to mention names, but I would point out one or two cases in point. Here is one case—and there is a series of them. I think in some cases there is a lot of buck-passing in connection with taking these men back, and that is very bad for morale in the factories. If anyone should have consideration, certainly it should be those men who have been overseas and are returned again to civil life.

Here is one example. Before enlistment this man was a lead hand in a sheet metal department, and was receiving seventy-five cents an hour. He was wounded at Dieppe, and was discharged on April 3, 1944. Upon application for reinstatement he was told that there were no vacancies. He was later reinstated in the sheet metal department at the rate of seventy-five cents an hour. A good deal of kicking went on. That amount included cost of living bonus. This man has the right at the present time to a wage of eighty-five cents.

Here is another case. This man was employed in September, 1941; enlisted in August, 1942; was discharged in February, 1944, and was reinstated at fifty-five cents an hour as a junior store clerk. The rate is still fifty-five cents, plus cost of living bonus. Employees who started after him are now receiving ninety cents an hour. They are all lead hands.

Those are just a couple of cases, but there are a great many others I could place on record. Could the minister explain just what is being done to see that men who are returned are getting their rights upon reinstatement, according to the laws of the land?

Mr. MITCHELL: Obviously I do not know the details of the cases to which the hon. member has referred. One cannot get down to individual cases in committee, because we are dealing with tens of thousands of men. But we have veteran welfare officers in all the larger centres of the dominion, and it seems to me that if these men have proper cases—and I think they are informed of that fact when they leave the army—

Mr. ROSS (St. Paul's): I might say that these cases have been given to me by the man who represents the legion.

Mr. MITCHELL: We do not know anything about them. We have welfare officers, and the law is clear in the matter. I understand that when these men leave the forces or are discharged they are informed as to their rights, and the machinery that exists for the assistance of men who have served in the fighting forces. Obviously on the floor of the house I cannot say what the facts are in connection with the cases my hon. friend has mentioned. However, of course I appreciate his having brought these to my attention.

Mr. ROSS (St. Paul's): I do not think the minister has understood me correctly. I brought up these cases only as examples.

Mr. MITCHELL: I appreciate that.

Mr. ROSS (St. Paul's): I want to know what the department is doing in matters of this kind—because these are only two; there are lots of others, and in various places. There is the greatest difficulty in some cases in connection with having these men reinstated in their position, or in a position which would not

be worse than they would have had, had they not enlisted. It is all very well to put them back into their jobs, but they must be not worse than they would have been, had they not enlisted. That is my point, and I think it is a serious matter.

Mr. MITCHELL: My hon. friend will understand that the mere fact that something is written on a piece of paper does not mean that such alleged facts are as set out. It does not mean that an investigation might not show the facts otherwise. However, if the hon. member will be good enough to turn the correspondence over to myself or to the Minister of Pensions and National Health, I shall be glad to look into the facts.

Mr. ROSS (St. Paul's): I have a few more cases, but perhaps the Chairman might call it eleven o'clock.

Item stands.

Progress reported.

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

Tuesday, May 2, 1944

The house met at three o'clock.

CANADIAN FORCES

PETITION FOR INCREASED CLOTHING ALLOWANCE UPON DISCHARGE

Mr. A. W. ROEBUCK (Trinity): I wish to present a petition signed by approximately two thousand citizens of Trinity riding, in the city of Toronto, asking for an increased clothing allowance for discharged members of the armed forces.

REPORTS OF COMMITTEES

DEFENCE OF CANADA REGULATIONS—CONCURRENCE IN FIRST REPORT

Hon. ERNEST BERTRAND (Minister of Fisheries) presented the first report of the special committee on the defence of Canada regulations, and moved that the report be concurred in.

Motion agreed to.

STANDING ORDERS

First report of the standing committee on standing orders.—Mr. Golding.

FOOD

REPORT OF SPECIAL INTER-ALLIED COMMITTEE ON CONSUMPTION LEVELS

Hon. L. S. ST. LAURENT (Minister of Justice): I table three copies in English and three copies in French of report on food consumption levels in Canada, the United Kingdom and the United States, prepared by a special joint committee set up by the combined food boards.

PRIVATE BILLS

FUNDY AIR LINES

Mr. A. D. LEGER (Kent, N.B.) moved for leave to introduce bill No. 89, to incorporate Fundy Air Lines.

Mr. HANSON (York-Sunbury): Explain.

Mr. LEGER: This bill will permit a group of men to form a company called the Fundy Air Lines, giving them permission to apply to operate air lines in the maritimes.

Motion agreed to and bill read the first time.

WORKERS BENEVOLENT ASSOCIATION OF CANADA

Mr. RALPH MAYBANK (Winnipeg South Centre) moved for leave to introduce bill No. 90, to incorporate Workers Benevolent Association of Canada.

Mr. HANSON (York-Sunbury): Explain.

Mr. MAYBANK: This is a bill to incorporate a company that has been carrying on benevolent insurance or something of that sort in the province of Manitoba and in some other provinces. It finds it necessary to be incorporated under dominion rather than provincial laws. There is little more than that in the bill.

Motion agreed to and bill read the first time.

BUSINESS OF THE HOUSE

BANK ACT AMENDMENT BILL

On the order:

Second reading of bill No. 91, an act respecting banks and banking.—The Minister of Finance.

Mr. HANSON (York-Sunbury): Before the Minister of Finance moves this order, I desire to point out to him that he has no right to do so. The bill is not printed in French. Furthermore, may I point out to the minister that although I made diligent inquiry from every available source I could not obtain a copy of the bill until ten minutes past two to-day. I do not understand the extreme urgency of moving this bill to-day, when members have just seen the outside of it. However, I am going to surprise the minister by saying that I do not intend to take advantage of the position which is open to me, and if he still, under the circumstances, thinks he must or

should go on, notwithstanding the very courteous request I made to him yesterday, I shall not object.

Mr. ILSLEY: I moved the first reading of the bill yesterday, and the procedure is that, after first reading is moved, the officers of the house take steps to have the necessary number of copies printed and distributed. Last evening I was able to get a few copies unbound which I sent to the leaders of the three parties in this house. I understand that the bill was not printed for distribution until this afternoon, and now it is distributed.

Mr. HANSON (York-Sunbury): It is not printed in French, and the rule is explicit.

Mr. ILSLEY: The usual procedure has been followed.

Mr. HANSON (York-Sunbury): It should not be proceeded with if it is not printed in both languages.

Mr. ILSLEY: I was not aware that the bill was not printed in French.

Mr. HANSON (York-Sunbury): I took pains to ascertain that.

Mr. ILSLEY: The bill is a very bulky one. With regard to the point of courtesy, I thought that perhaps the privilege might have been accorded me of moving the second reading at the time the first reading was moved, but the hon. gentleman himself—

Mr. HANSON (York-Sunbury): Why so?

Mr. ILSLEY: —would not consent to that.

Mr. HANSON (York-Sunbury): On a bill as important as this?

Mr. ILSLEY: For the reasons stated yesterday, I think I should go on with the second reading of the bill.

Mr. COLDWELL: May I ask the minister a question? If second reading is moved today will discussion follow the second reading, or shall we have time to study the bill until Monday or Tuesday?

Mr. ILSLEY: I propose to move the adjournment of the debate at the end of my speech.

Mr. HANSON (York-Sunbury): Yourself?

Mr. ILSLEY: Yes.

Mr. COLDWELL: Until Monday?

Mr. ILSLEY: That is a matter for arrangement. I thought that Thursday had been decided upon.

Mr. COLDWELL: The point is, as the hon. member for York-Sunbury (Mr. Hanson) says, that this is an important bill. Some of us are on the war expenditures committee and some on the broadcasting committee sitting to-morrow, while others are leaving the city to-morrow, so that it will be impossible for us to study the bill before the discussion comes on on Thursday, if it is to be discussed on Thursday. Personally, and I believe a large number of other hon. members feel the same way, I should like to see the discussion held over until Monday or Tuesday.

Mr. HANSON (York-Sunbury): I have a suggestion to make which will perhaps clear up the position. The minister might move second reading to-day and make his statement and then give an undertaking that there will be ample time for us to study the bill and his statement as well. I think that is a fair proposal and ought to meet with the approval of all concerned.

Mr. RALSTON: I have been discussing this matter with the leader of the opposition and with the leaders of the other two groups in the house ever since Friday. I have intimated how important we thought it was to get the bill to the committee. May I say to you, Mr. Speaker, and to the house, that if I had my way, having regard to the importance which I attach to the war appropriation resolution, I would not allow anything to interfere with it. But it seems to me that we must take account of the fact that the banking and commerce committee is sitting and will have a great deal of work to do in connection with this bill. I suggest therefore that in order to expedite public business and keep everything moving along, we ought to get the bill to the committee as soon as possible.

Mr. HANSON (York-Sunbury): That ought to have been done weeks ago.

Mr. RALSTON: The suggestion was made that the minister should move the first and second reading on Friday. After discussion that did not seem possible, and then the suggestion was made for Monday, but it was felt that unanimous consent would not be given, and so it has come on on Tuesday. I intimated last night that all we hoped to do to-day was to go on with the second reading of the bill and then proceed on Thursday. I indicated also that I had spoken to the leader of the opposition and to the leaders of the other two groups and that they had been good enough to inform me of the number of speakers who they thought would probably be interested in taking part in the debate. With that in mind I hoped that it would be possible to end the discussion of the bill on Thursday so as to get it to the committee. I had in mind the fact that in 1934 we were

not more than one afternoon, or at any rate one sitting, in dealing with the bill in order to get it to the committee.

Mr. HANSON (York-Sunbury): We had time to see that bill.

Mr. RALSTON: I am not so sure about that.

Mr. HANSON (York-Sunbury): I am.

Mr. RALSTON: I happen to be one of those who took part in the debate. Hon. gentlemen will have an opportunity to see this bill between now and Thursday. I suggest to the house that if at all possible we ought to get on with the bill and get it to the committee. Hon. members will realize that when the bill comes back from the committee it will go to the committee of the whole and will then be dealt with clause by clause, so that there will be ample opportunity then for the house to discuss it. In 1934 the method adopted was that while we were agreeing to the second reading of the bill we reserved the right to make any objections or to move amendments as we thought proper, regardless of whether it was a matter of principle or of detail that was involved. That preserves the rights of all hon. members of the house.

May I close by expressing the hope that the house will cooperate in this respect with the idea which we had in mind of getting on on Thursday. I say to the hon. member for York-Sunbury (Mr. Hanson) that I shall consult with the Minister of Finance and with my other colleagues to see if any other procedure is desirable, proper or advisable in the circumstances. But I do wish the house would be prepared to take up the bill on Thursday in the hope we may finish with it very shortly and get it to the standing committee.

Mr. HANSON (York-Sunbury): I made a very reasonable suggestion. The bill is not ready to go forward to-day because it has not been printed.

Mr. BLACKMORE: In considering the matter I think what the acting leader of the government has said is correct. I was of the opinion that it might be possible to carry on on Thursday, but since I have had an opportunity to look over the bill, and to give some thought to the intricacies that may be involved, and since the Minister of Finance is about to make a statement on the bill, I believe it would be in the best interests of the country and most satisfactory to all concerned if we were to defer further discussion until Tuesday next. We have enough work to do with the war appropriation bill and other matters, so that we shall be just as far ahead as if we proceeded with the debate on second reading on Thursday of this week. After taking into consideration all the matters involved in this question I think we are justified in asking the Minister of Finance to defer further consideration until Tuesday.

Mr. RALSTON: Mr. Speaker, this is not a compromise, but I am afraid that the next member who speaks may ask for Wednesday and the next one may ask for another week; therefore, I am going to hurry and head that off now by saying that after the Minister of Finance moves the adjournment of the debate, second reading of the bill will be proceeded with on Monday next.

Mr. HANSON (York-Sunbury): That is fair enough.

Mr. SPEAKER: The position is that all objections to the motion for second reading of the bill to-day have been withdrawn?

Mr. HANSON (York-Sunbury): Yes, with that undertaking.

BANK ACT AMENDMENT

CONDITIONS GOVERNING TEN-YEAR EXTENSION OF BANK CHARTERS

Hon. J. L. ILSLEY (Minister of Finance) moved the second reading of Bill No. 91, respecting banks and banking.

He said: Mr. Speaker, it is not necessary for me to stress the importance of this bill to which the house is now asked to give second reading. It is a bill which extends the charters of the ten commercial or so-called "chartered" banks for another ten years, specifies the types of business which these banks can carry on, and prescribes the regulations and the controls governing the conduct of their operations. These regulations and controls which are probably more comprehensive and in most respects more restrictive than are to be found in the banking laws of any other democratic country, are the product of six decennial revisions by the parliament of Canada of the first banking legislation of a general character passed in the Dominion of Canada, the Bank Act of 1871. That act in turn was the product of a rich background of a half-century's practical experience with, and legislative regulation of, a banking system which had been transplanted from Scotland and adapted to the special needs of the British colonies in North America.

The wisdom of this device of decennial revision of our banking legislation is, I think, obvious. It provides regular opportunities,

at reasonable intervals, for a full-dress review of the efficiency with which the banks are serving the needs of the public and for making such amendments to the law as changing conditions seem to require. The sense of responsibility with which parliament has acted in these periodic inquests has been commented upon by foreign observers. Breckenridge, for instance, in his history of the Canadian banking system, was impressed with the natural growth or evolution of our banking system. In his concluding paragraph he had this to say:

> One of the strongest contrasts which this whole record presents to such a history of banking as that of the United States, is in the continuity of the progress. There has been no recurring struggle to establish a great government bank, no epidemic of wild-cat banking, no rejection of one system for experiment with another. A certain continuity, without doubt, can be discovered in the history of any banking system. Men do not wholly break with the past or build on foundations entirely new. But down to the present day Canadians have always held to the plan on which were framed the statutes governing their first banks. Additions have been made, new safeguards against public loss introduced, limits restraining corporate activity have been narrowed in some parts and widened in others, a few arrangements for the advantage of the government have been attached, but never has there been a successful attempt to tear down the fair work of the first builders and out of the ruins construct anew. When defects have appeared in its structure, Canadians have not forthwith condemned the heritage of the past, and petulantly, illogically swept it away to make room for some new, untried affair, arranged on different lines; after study of the trouble they have endeavoured by some slight strengthening, some little alteration, to keep and enhance the certain benefits of what they already possessed.

In an earlier passage, he made this interesting comment:

> In Canada, as in Scotland, the history of banking records singularly few frauds upon the currency, and, so far as their creditors were concerned, the losses inflicted by insolvent bankers have been remarkably slight. In order to reform the system, it never became necessary to maim it; in neither country has banking developed the abuses that,
>
> diseases desperate grown
> By desperate appliance are reliev'd,
> OR not at all.

The present revision comes at a significant and appropriate time. We look forward to a decade which will include at least a number of years of transition from a war to a peace economy, years of readjustment and reconstruction, and years in which we are determined that this young country shall make great strides to bigger and better things. That prospect, it is obvious, will require not only an efficient but a strong and flexible banking system. In 1944, also, we can look back, with some perspective, to the period of the early thirties, a period of widespread distress and general frustration as a result of which the banking system, like other economic institutions and most political institutions, became the target of constant and sometimes bitter attack.

It was perhaps only natural that this should be the case. Human nature tends to over-simplify and one of the easiest over-simplifications is to blame a major depression on the lack of credit. Certainly it might seem to the manufacturer who had to close down his business, say, in 1932, that the cause of his failure was the refusal of his bank to give him unlimited credit, but there were thousands of bankers in the United States in that year who could have explained what would, and did, happen to the banks which left their credits outstanding. The banks, of course, were not blameless, either in respect of the policies they followed in the boom years of the late twenties, policies which involved the granting of too much rather than too little credit, nor in the policies they followed with the onset of depression when faced with the necessity of saving their own institutions they may have aggravated the deflationary process which the antecedent inflationary boom had made inevitable.

But there are two points which I wish to make in this connection.

In the first place it is a travesty of economic interpretation to place responsibility for the great depression upon the Canadian banking system. The world-wide character of the depression and of the fall in prices which accompanied it should be sufficient proof of the absurdity of such a contention. It would probably take a volume to give a clear and satisfying explanation of the causes of this depression, which was unprecedented in its severity, its coverage and its persistence. Its causes were not solely, perhaps not even primarily, financial or monetary, but economic and political as well. It had its roots in the maladjustments in the world economy produced by the first world war and particularly in the wholesale use of inflationary methods for financing that war by all or nearly all the belligerent countries. The consequences of that inflationary finance, in the form of distorted price levels, unbalanced economies, unstable currencies, political instability and resurgence of economic nationalism, posed for the world a series of economic and political problems of difficulty almost beyond the wit of man to solve. Certainly the statesmanship of the leading nations in the twenties showed neither the courage nor the imagination to solve them. On the contrary, many of the policies followed by a good many countries

(e.g., import and export restrictions, quotas, clearing agreements, etc). were such as to aggravate rather than to lessen the evils left by the war.

My second point is that in the twenties and the early thirties the Canadian banking system was subject to a clearly marked limitation which has since been remedied. I refer to the absence of a central bank.

During the period of rapid development of Canada as a nation, our banking system served this country extremely well. That is the universal verdict of foreign observers; it is, I think, the verdict of most Canadians. In this connection, I wish to quote a paragraph from the report of the royal commission on banking and currency in Canada, 1933. The paragraph reads as follows:

> 201. It has been manifest, from what we have previously written, and indeed from much of the information afforded us in the course of our hearings, that in so far as the ordinary functions of banking are concerned, the Canadian banks give admirable evidence of security, efficiency and convenience. In a time of universal economic difficulty, the Canadian banks have stood firm and have continued to render to the people of the dominion the same high quality and the same wide variety of services as in the past.

I wish to associate myself with that tribute to the Canadian banks. Ours has been a banking system of unusual strength; thanks to the protections surrounding the incorporation of banks, the provisions designed to safeguard the note issue, the prohibition of loans upon real estate, and the diversification of risk which is inherent in the branch banking system, the losses suffered by the creditors of Canadian banks, their note holders and depositors, have been extremely small. The importance of this factor of strength or safety should have been brought home to us in the early thirties by the contrast with conditions in the United States where thousands of banks failed, bringing untold loss and hardship to millions of bank depositors and aggravating greatly the severity of the depression. Another merit of our system has been its flexibility and the elasticity of the currency supply which it provided. These virtues were the result of the absence of rigid legal reserve provisions, the issue of notes on the basis for the most part of the general assets of the bank, and the branch banking system which facilitated the automatic flow of credit in accordance with the seasonal credit requirements of various industries and various sections of the country. Their importance was particularly great in a country such as Canada with its wide climatic variations, its emphasis on primary industries, and the very special problem of moving the western grain crop to market each fall and winter.

The only other merit of the Canadian banking system to which I wish to refer is the comprehensive network of banking facilities which it has provided for the convenience of the public. There may be certain areas to-day where we find public criticism of the closing of branches since the early thirties. This criticism in itself is confirmation of the extent to which our banking system at its peak had brought banking services to nearly every hamlet throughout the country. Even to-day Canada is probably still better served with banking facilities than almost any other country. The branch system made it possible to give services to hundreds of communities which could not otherwise have supported a bank, and for many years it was the pride of our Canadian banks that they pioneered the new communities, going in ahead of the railway or indeed of any sizeable population.

These and other merits of our banking system deserve great praise. It will be noted, however, that they relate primarily to the working of individual banking institutions and to the strict or narrow function of commercial banking. In certain respects the system as a whole left something to be desired. Thus up to 1935 the volume of money and credit in circulation in Canada was regulated essentially merely by competition amongst the chartered banks in the granting of loans and the purchase of securities. The banks, however, were private, profit-making institutions and it was only natural that the automatic working of competitive, commercial forces should not always coincide perfectly with the broadest national interest. Fortunately our banks were usually staffed with able, prudent and far-sighted men, and normally their business judgment led them to make decisions and adopt policies which were not only sound for their institutions but also in the national interest. There may be some confirmation for this statement in the reported fact that Canada leads seventeen countries in the number of years of prosperity per year of depression. In an elaborate analysis of business cycles in various countries, published by the National Bureau of Economic Research, New York, under the title "Business Annals", Professors Thorp and Mitchell found that for the period 1888-1924 Canada had had 1·86 years of prosperity for each year of depression, while the United States had enjoyed but 1·79 years and the average for the seventeen countries studied was but 1·14 years.

However, as our economy became more and more industrialized and more sensitive to the rhythm of business fluctuations in other countries, it became more and more obvious that we needed a more delicate adjustment of the volume of credit to real public requirements.

a more effective mechanism for endeavouring to counteract by credit control the normal tendency of business forces to alternate between boom and depression. In the late stages of a boom, as for instance in the late twenties, it was difficult for any individual banker or indeed for the group of commercial bankers as a whole to break away from the prevailing business and public psychology and ruthlessly apply the brakes against further expansion. Similarly when a boom collapsed, it was not always possible for the private banker, interested necessarily in the safety of his institution and the protection of his depositors, to follow an expansionist credit-granting policy which might have tended to retard the process of deflation. One can scarcely blame a group of competing banks for failing to discharge with 100 per cent perfection a function for which they were not assigned specific responsibility by public authority. The fault lay rather in the failure of public policy to provide an institution charged with responsibility for regulating the volume of money and credit solely in the public interest. Such a function could only be performed by a public body interested not in the making of profits but solely in the performance of a public duty.

It was the lack of such an entity which the Macmillan commission found as the one important defect of the Canadian banking system, as a result of their investigations during the summer of 1933. As they expressed it, they were impressed "by the absence in Canada of any single banking authority which while linked by its activities with national finance and commerce, is nevertheless detached by its constitution and the temper of its administration from the ordinary pursuits of commercial banking." In other words, they found no organization charged with responsibility for regulating the volume of credit and currency in the best interests of the economic life of the nation. On the basis of this finding, they recommended the establishment of a central bank in Canada. The following year parliament passed the necessary legislation and on March 11, 1935, the Bank of Canada commenced operations.

This development marked the beginning of a series of reforms, designed to improve our banking system and secure a rounding out and better integration of our financial structure as a whole, a series of reforms which we expect to carry much farther during the present session of parliament. One of these reforms related to the organization of the Bank of Canada itself. The House will remember that as the bank was originally organized, its stock was held by private shareholders, although the bank was subject to strict control by the government. An important amendment to the act in 1938 eliminated the private shareholders and made the bank a government-owned as well as a government-controlled institution. Since that amendment, there can be no question that the control of currency and credit in this country is carried out by a public institution solely in the public interest. Concurrently with these developments and assisted greatly by the Bank of Canada there has come a very much improved organization of the short-term money market in Canada; the issue of treasury bills at public tender at very low rates of interest and the active markets for short-term securities generally are reflections of this development. In 1939 an attempt was made to improve the organization of, and the practices in, the long-term mortgage market, and an act authorizing the setting up of a central mortgage bank was passed by parliament. Unfortunately the war intervened just as this bank was on the point of being set up and action to implement this legislation had to be deferred. In all probability parliament will find it necessary in the not distant future to reenact this legislation in a modified form in order to standardize and make more marketable mortgage credit instruments and thereby make possible more economical long-term credit. The banking and commerce committee has now before it a bill to authorize the establishment of an industrial development bank, which is designed to fill another gap in our financial structure—the provision on reasonable terms of fixed and working capital for small or new industrial enterprises whose needs are not met, or not fully met, by existing financial institutions. Finally, the speech from the throne has indicated that we intend to introduce a bill to authorize the insurance or guarantee of export credits in order to assist in developing export markets for primary and secondary industries in the post-war period.

When we add to the measures which I have listed the significant proposals which we are making in the Bank Act amending bill and in the supplementary legislation to which I shall refer in a moment, the house will agree, I trust, that a very serious effort has been and is being made to build up in this country a well-rounded and highly integrated financial structure which, with the changes still to come, should be able to take care of all the sound credit needs of the Canadian public. The bill which is now before the house represents the results of a thorough and painstaking study of our existing Bank Act and of the

changes which should be made in it to enable our chartered banks to meet present day needs. I do not flatter myself that it will meet the views or satisfy the wishes of all groups and individual members in this house. It will not, of course, satisfy those whose doctrines lead them to advocate the nationalization of the banks as a step towards the overthrow of private enterprise, nor those who cannot withstand the temptation of making free credit available in a way which in my view would result in the debasement of our monetary system. The changes I am proposing are intended to improve our banking system and to ensure adequate credit at reasonable rates for all sound and useful purposes. We are suggesting those improvements which can be achieved by legislative means, but in my opinion we should be foolhardy indeed to reorganize it completely along radical lines as a matter of political doctrine or tactics, or to tamper with its integrity and exploit it in accordance with the theories of the inflationist school.

Let me deal first with the demand of one of the parties in this house that the banks should be nationalized. In preparing to meet this argument, I tried to find out just what was the case for nationalization, or rather, what its advocates felt the case to be. As usual, I found a great many vague charges against existing institutions, a great deal of loose and irresponsible indictment, far too much appeal to popular prejudice and a great many rosy promises in regard to what might be expected to happen under a new dispensation, but very little analysis of what was regarded as wrong under the present system and very little in the way of concrete proposals—

Mr. HANSON (York-Sunbury): Hear, hear.

Mr. COLDWELL: That suits the reactionaries.

Mr. ILSLEY: —indeed little more than a mere beckoning to the promised land with a minimum of specifications as to how to reach it and none as to how our lives would be ordered when we get there.

Trying to put the pieces together, I find that there are apparently four arguments or contentions used by its advocates to support the case for bank nationalization. They may be summarized as follows:

First, the argument that nationalization of banks is necessary in order to make possible the effective control of currency, credit and prices;

Secondly, the contention that nationalization of banks will result in greater economy and efficiency;

Thirdly, the claim that the banks are a monopoly or through the system of interlocking directorates constitute part of a "big business" monopoly; and

Finally, the argument that nationalization of the banks is necessary as the first step in bringing about the end of private enterprise and ushering in the socialist state.

Well, let us see, if we can, what there is in each of these contentions.

Take the first argument. It is, of course, essential that the state—that is the government, responsible to parliament and the people—should have control over the total volume of bank credit, in order that such credit may be regulated as a measure of economic policy in the general interest. But as I have taken pains to point out, we already have that control in the hands of the government, exercised through the Bank of Canada as its agent. This control over bank credit is effected by the Bank of Canada through its control over the cash reserves of the chartered banks. Because of the nature of their business and well-defined practices of long standing, it is necessary for the banks to limit their deposits to about ten times their cash reserves. That is to say, the banks find it necessary to keep about $1 in reserves in the form of Bank of Canada notes or deposits with the Bank of Canada for each $10 which they owe to their depositors. The law reenforced this established practice by prescribing that in no event shall a bank have cash reserves of less than 5 per cent of its deposit liabilities. In fact however, the practical necessity of the ten to one ratio has been so well established in practice that the legal obligation is of comparatively minor significance.

On the other hand, the need to earn interest in order to pay interest on its deposits, meet its other operating expenses and earn some profit on its capital, drives each bank to increase its loans or its investments to the point where its cash reserves come down to the ratio which prudence and well-established practice require. This spur of cost and self-interest therefore ensures that cash reserves do not significantly exceed ten per cent of a bank's deposits, and therefore that total deposits of all the banks closely approximate ten times the total amount of cash reserves which is held by all the banks. (It would of course be more accurate for me to speak of total demand liabilities or total note and deposit liabilities, but as bank notes are now such a small and decreasing portion of

their total liabilities, I am, for simplicity's sake, speaking as if bank deposits were the only form of bank credit.)

For the reasons mentioned, the Bank of Canada has effective control of the total volume of bank credit outstanding. It exercises that control through its control over the cash reserves of the chartered banks. These reserves are made up of Bank of Canada notes and deposits with the Bank of Canada. They are watched closely and are expanded or contracted as the public interest may seem to require. The Bank of Canada can reduce them by selling some its large holdings of government securities. It gets paid for such securities by a cheque drawn on a chartered bank, which when presented for payment, results in a reduction in that bank's deposit with the Bank of Canada. Conversely, if the Bank of Canada wishes to expand bank reserves—in order to promote an expansion in bank deposits or bank credit—it can do so very easily by purchasing government securities on the open market. It pays for such securities by a cheque drawn upon itself which is deposited in a chartered bank by the person or business firm selling the security, and when the chartered bank presents the cheque to the Bank of Canada it gets an increase in its deposits with the Bank of Canada—or takes out Bank of Canada notes to hold in its reserves.

This process of control of bank reserves, and thereby of bank deposits and bank credit, is well known to many members of this house, but I felt it should be reviewed here to make clear beyond any doubt that already the government has effective control over the total volume of money and credit. We have the control we need for all the essential purposes of monetary policy. Moreover, we have it in an exceedingly simple form which enables us to exercise over-all control without interference in the granting of individual credits or the transfer of deposits or any of the other business transactions of an individual bank. Any one bank is free to compete for all the business it can get—because it can attract deposits and thereby cash reserves away from the other banks. It is free to exercise sound business judgment in the selection of its risks and the choice of its customers. Hence the credit control we exercise is a sensible form of national economic planning and direction in matters of broad policy, free from the dead hand of bureaucratic interference in private affairs. I only wish such simple and effective mechanisms of national control and stimulus were available in other equally important fields of economic activity.

[Mr. Ilsley.]

It should now be clear that the need for public direction of monetary policy does not necessitate nor justify the socialization of all our banks. It requires only socialization of central banking—and that of course we have already achieved.

Now if there is no justification for nationalization in the first argument used by its advocates, is there any in the second, the possibility of greater efficiency and economy as a result of state operated banks? There are few, I think, who would seriously charge that our chartered banks are inefficient. The various departments and agencies under my direction have had a great deal of experience in dealing with the chartered banks—the Department of Finance with its enormous disbursements and receipts; the national war finance committee in the sale and handling of victory bonds; the foreign exchange control board in the carrying out of our external transactions, public and private; the wartime prices and trade board in the complicated business of ration coupon banking; as well as the Bank of Canada in its operations as a central bank, and the inspector general of banks in his intimate audit of all the banks. All this experience with chartered banks and knowledge of their detailed working confirms the general belief in the efficiency of the chartered banks in carrying out the normal functions of commercial banking. Certainly I think there would be few who would honestly contend that the banks would be operated more efficiently or more economically as one great department or agency of government. Like other large organizations they must have their own problems of bureaucracy, must face the same difficulties as we do in reconciling central control with local initiative. It is absurd to assert that these problems and these difficulties would be solved and greater efficiency and economy promoted by a far greater centralization under direct public or political control and with neither the lash of competition nor the spur of profit possibilities.

The third argument of the nationalization advocates rests on the charge of monopoly, the allegation that the banks themselves are a monopoly or form part of a larger group which in some way or other constitutes a monopoly and exercises control over the industrial and financial institutions of Canada. I am sure that we shall hear the changes rung on this contention and that long lists of the company connections of various bank directors will be presented. The argument has a certain specious appeal. It is easy to make. It can be made in vague terms and embellished

with innuendo. It can be used to stir prejudice against mere bigness and successful achievement. But the only point which should interest a responsible member of this house is whether or not it is true.

No one, of course, will wish to deny that most bank directors are also on the boards of other financial or industrial corporations, in a number of cases on a good many other boards. I suppose the quality which above all others the banks desire in their directors is sound business judgment and it seems only natural therefore that they should seek their directors amongst men who have proven they possess that quality by the success they have achieved in other businesses. If the community's banking needs are to be efficiently served, we need men of large vision, constructive imagination, sound judgment and wide experience to assist in formulating the general policies which are to be applied by the senior executive officers of the banks. It would, I think, be very unfortunate if the day ever comes in this country when demonstrated success in one line of business, proven capacity for the direction of large affairs, should debar a man from bringing the benefit of his judgment, foresight and experience to the assistance of bank managements or the management of any other business or, I may add, to the direction of public affairs. Canada has great natural resources and will have adequate capital, but the speed of her future growth and development will depend as much as anything on the adequacy of her supply of managerial talent, of business leaders who possess the qualities which I have mentioned. As a nation we should encourage that kind of talent, not discourage it or decry its success.

Let no one mistake my position. I am not arguing for a widespread use of interlocking directorates but merely for a rational approach to this problem. I have no brief for the man who spreads himself thin over a long list of directorates, and I often wish that the banks and other business corporations would search more intently for suitable directorship material in other walks of life—such as in small business, agriculture and labour—and also that the banks would use to a greater extent the device of regional advisory committees in order to obtain the benefit of as many points of view as possible in working out their policies. These suggestions are merely personal, but I think their adoption would do a great deal to bring about a better public understanding of bank operations and policies and should remove even the appearance of any grounds for the charge that banks are run by a monopoly of big business men in the interest of big business. I suspect that bankers themselves will feel their own consciences clear in this respect and may not see the need of any such devices as I have suggested. They will resent, and rightly so, the insinuation that because they have directors from this and that corporation on their board they allow themselves to be dominated by them, particularly to the extent of restricting credit to the competitors of those corporations. That is a very serious imputation and I do not for a moment believe it has any foundation. No director is allowed to be present or vote at a particular meeting when loans or advances to himself or any firm or corporation in which he is a partner or a director are under consideration, and I am convinced that any director who attempted to prevent the bank from meeting the credit needs of a competitor would receive short shrift at the hands of his fellow directors. If there is any honourable member who honestly believes otherwise, he will have his chance in court. Let him cross-question the bankers when they come before the banking and commerce committee and he will find out how the banks really operate.

After all; there are two tests of whether the banks constitute a monopoly. The first is whether in fact the banks fail to compete with each other in the obtaining of deposit accounts and the granting of credits and thus tend to promote a restriction of credit. The second is whether the banks make abnormal or monopoly profits. Taking the second question first, I am going to give in a few moments detailed figures of the earnings of Canadian banks over a long period. If, after I have disclosed this previously unpublished information, there is any one who still believes that the banks are obtaining abnormal or monopoly profits it will be, I am afraid, because "one convinced against his will is of the same opinion still". On the first point we have the testimony of the volume, "Social Planning for Canada," which according to the foreword written by the late Mr. Woodsworth is "the first comprehensive treatise on Canadian economy from a socialist point of view." I quote the following extract from its discussion of Canadian banks:

> Before answering this question, it is as well to make clear how the chartered banks operate to-day. Their operations are regulated, of course, by a bank act enacted by the federal government, from whom they derive their charters. Perhaps because of this regulation the Canadian banks have been free from the sort of defect which plunged the whole American banking system into panic in 1933. Canadian banks have kept clear of the worst type of speculative loan (e.g., real estate). No bank failure has taken place in Canada since the Home bank closed in 1924. Nothing comparable to the disclosures made with respect to the investment activities of the big banks in the United States has emerged in Canada. At the

same time the competition between the banks would seem to guarantee reasonably fair and competitive treatment of all comers.

In general then—and certainly from any superficial point of view—the chartered banks present a picture of a stable, well-ordered set of institutions; a tower of strength in time of trouble, as they not infrequently remind us. There is no doubt that a defective banking system enormously aggravates the inherent instability of the capitalist system; and Canada has been spared that complication.

Most of the current criticism of the chartered banks is picayune stuff. . . .

There can be no doubt about the competition for deposit accounts; even though the banks pay the same rate of interest on deposits there are other ways in which the keen competition manifests itself, including the character and variety of the services offered. Equally there can be no doubt of the competition for lending accounts and an even greater possibility of variation between the different banks in the treatment given and in the services rendered. Business men, both large and small, accustomed to dealing with banks will bear witness to competition that takes place between the banks in attracting accounts. If one talks to such business men one will not take long in finding many instances of switches of lending accounts from one bank to another. Obviously, banks turn down certain applications for loans but the reason is almost certain to be, at least in times other than those of acute depression, either that it was not the type of a loan that a bank should make or that the particular borrower or business was unlikely to be able to repay the loan. In the latter type of case there is always recourse for the borrower to one or all of the other nine banks who may take a different view of the credit-worthiness of the borrower or his enterprise. It is most unreasonable to think that the banks, at least in normal times, should deliberately wish to refuse sound loans or restrict credits when they have the resources with which to make loans. If they cannot get commercial loans, their only recourse is to invest their funds in securities. On such securities they earn less, usually much less, than they could make on sound commercial loans. To-day, and for some years past, their percentage of loans to total assets has been unduly low. The desire to increase their earnings, if nothing else, drives them to seek outlets in loans. The charge of a monopolistic combination conspiring to restrict credit is a figment of the imagination and has no foundation whatever.

The fourth and final point with which we have to deal is the argument that nationalization of the banks is the first step necessary in the liquidation of private enterprise and the ushering in of the socialist state. I suspect that here we have the crux of the whole case. To those who are convinced socialists, it must seem reasonably obvious that control of the banks and other financial institutions is probably an indispensable instrument for the liquidation or slow strangulation of free enterprise and for ushering in the new dispensation. Certainly it will immensely facilitate the task and it is equally clear that a privately controlled banking system would not be consistent with a socialized state.

If we were all socialists, this argument would be wholly convincing. The simple and conclusive answer to it is that the Canadian people are not socialists and do not want to adopt devices, the only valid argument for which is that they will facilitate the coming of socialism. No one can tell me that the Canadian people who have reacted as they have in the last three or four years to the limited controls and partial regimentations essential to the emergency requirements of wartime would ever vote to imprison themselves in a socialist state which would make such controls and regimentations practically universal and perpetual.

If we do not want a socialist state, we do not want a socialized commercial banking system to deaden the initiative of our system of free enterprise. We do not want this government or any other government to have a monopoly of the business of lending for commercial purposes nor even of the business of keeping the people's banking accounts. The relation between banker and borrower, and between banker and depositor is a private, confidential relationship. A large proportion of our citizens would not want any government, even one which they support, to intervene in this confidential relationship or to be privy to it. But a far more important point is the undesirability of having the credit of each of us and of every business throughout the country assessed by civil servants working under political control for a government banking monopoly, rather than by bank managers interested not in the political or other views of the borrower but solely in his ability and trustworthiness as a debtor. The best guarantee of fair lending as well as sound lending is to preserve a number of independent lending agencies, so that a potential borrower can choose his own banker, can deal with the one who is prepared to meet his credit requirements on the most favourable terms and who is interested solely in the soundness of the loan itself. We must, and we do, have control of the cash reserves of the banks, so that the total volume of all bank credit can be con-

trolled—and conditions of depression and crisis avoided. Given that, I think we can trust the enterprise of the banks to lend where opportunities for sound loans are available, because of the incentive to get their loanable funds earning a more attractive return than is possible under the only alternative of investing in securities.

There will be some cases where it would be illegal or inappropriate for the banks to make loans although the loan might be essentially sound and useful in developing Canadian industry and resources. We are proposing to meet this type of problem in two ways. First, we are proposing to establish the industrial development bank in order to assist the financing of small or new enterprises which might otherwise find it impossible or very difficult to get the types of credit required from banks or other financial institutions on reasonable terms and conditions. Here we are using the device of public ownership to carry out a specific task for which it is best fitted. But this government bank will have no monopoly; any potential borrower will be free to go first, or instead, to other banks or to any other source of capital if he so desires. Secondly, I shall be making proposals in a later section of my remarks which will involve assistance from the government to encourage loans to farmers and fishermen of a longer term and different character from those they have been able formerly to make. These two measures, I believe, will be sufficient when coupled with the other legislation announced in the speech from the throne to ensure that adequate credit will be made available for the efficient and vigorous development of our country. They are not intended either to drive the banks out of business or to be a means of gaining financial control over all kinds of business as a step towards socialism.

They do not throw into the scrap basket all the heritage of the past. They build upon it and supplement it in order to remedy any defects it may have had and to enable it to meet fully and efficiently the requirements of our people. Like the nationalization of the Bank of Canada in 1938, they demonstrate the government's willingness to use the agency of the state, even the device of public ownership as well as control, where it is required to serve a useful and specific purpose. The question of nationalization of an industry or a specific firm should not be one of ideology. We should neither shrink from nationalization because of an economic philosophy based on fear, nor embrace it rashly with nothing more in our minds and hearts than mere devotion to doctrine or desire to punish. We should use it only where it alone can serve the public interest or can serve it better than any alternative form of organization. Commercial banking, I am convinced, is not one of those cases. I hold that conviction with greater assurance, because I find that in no other democratic country have the people become convinced that it would be wise to nationalize their commercial banks. In this connection it seems pertinent to observe that even the labour, and avowedly socialist, governments of Australia and New Zealand have not yet seen fit to nationalize the commercial banks in those two dominions.

Summing up this discussion, we find that the several alleged arguments for nationalization of the banks do not stand careful scrutiny. It is not necessary to nationalize the commercial banks to make possible the effective control of currency, credit and prices; we have already nationalized that part of the monetary and banking system which gives us control over currency, credit and prices, namely the central bank. There is no reason, on grounds of operating efficiency, for nationalization. There is no basis for the charge that the chartered banks, whether in combination with other business or not, constitute a monopoly which interferes with the free flow of credit and leads to monopoly profits. We do not want nationalization to promote the liquidation or strangulation of free enterprise or as the entering wedge for socialism. We are providing a publicly-owned institution to provide credit for useful and desirable industrial projects which the private institutions are unable or unwilling to finance, but we do not want to create a huge government monopoly of the banking business which would lead to an enormous increase in centralization, a loss in operating efficiency, a decline in the initiative and enterprise which decentralized and competing private business is best able to supply, and the inevitable intrusion of political consideration and control in the multitude of private transactions which the banks must make. We are confirmed in our point of view by the experience of all other democratic countries.

I would now like to spend a few minutes on what I understand to be the position of the Social Credit party. Their attack on the banking system will be of an entirely different character from that of the Cooperative Commonwealth Federation party. They, or at least most of them, recognize, I believe, that the chartered banks are efficient in carrying out the ordinary day-to-day functions of commercial banking and would, I imagine, dislike as much as I do the socialist proposal to convert the banks into a huge government monopoly run by bureaucrats. I do not think I need to devote any attention to the main, or

shall I say, the original, body of their doctrine, which has been discussed in this house on several occasions and which we seem to hear much less of to-day.

To judge from their more recent utterances, what we may expect from the Social Credit party in this debate is likely to be a proposal that the government should borrow its requirements from the Bank of Canada and that the resulting increase in Bank of Canada notes and deposits will be turned over almost entirely by their recipients to the chartered banks—since the public do not hold deposits in the Bank of Canada and hold only what notes are needed for convenience—should be "frozen" in the hands of the chartered banks. In other words, the chartered banks should not be allowed to use these additional cash reserves as a basis for the usual tenfold expansion of their deposits. Presumably, they will suggest that this policy be carried out by amending the Bank Act in such a way as to require the banks to hold 100 per cent reserves against increases in their deposits beyond a specified figure. The purpose of such a restriction upon the activities of the banks would be to enable the government to borrow its requirements without paying interest except to itself by way of its agency, the Bank of Canada, and without allowing this increase in Bank of Canada money to lead to an unnecessary and very great addition to the loans, investments and deposits of the chartered banks, an addition that they recognize would probably lead to inflation.

Let us trace for a moment in simple terms just how this type of 100 per cent reserve arrangement would work, as undoubtedly many people are attracted by the easy virtues of this apparently costless source of credit. Suppose, then, that we did rule that the banks could not use any additional cash reserve which they obtain, in consequence of government borrowing from the Bank of Canada, as the basis for the usual tenfold expansion in deposits—or what would amount to the same thing, that they must hold additional cash reserves equal to any additions to their present level of deposits. Let us concentrate on the main, simple point and neglect the purely technical difficulties. Armed with this shield against the expansion of bank credit, the government will proceed, we may assume, to borrow, say $1 billion, from the Bank of Canada. With this new fund the government would then draw cheques on the Bank of Canada payable to contractors, civil servants, holders of government bonds and others to whom it must make payments for services rendered. The recipients of these cheques deposit them in their bank account in the normal way, as they do any other cheque—taking in cash from their banks only what they need to have to carry around in the form of cash. The chartered banks will then find that their deposits have increased by almost the whole amount of this billion dollars and in exchange they will have these cheques on the Bank of Canada less the small amount paid out in cash to depositors—which we may safely neglect merely to simplify the argument. The chartered banks then present the cheques to the Bank of Canada and their deposits with that bank increase by $1 billion.

At this stage then the chartered banks' deposit liabilities have increased by about a billion dollars and their cash reserves—their assets—have increased by a billion dollars. While their books may balance they are very much worse off than before because they must pay interest on the additional deposits, so far as these are in the form of savings deposits, and provide services on them which cost real money, and no small amount of money at that as I shall seek to show later. On the other hand, the increase in their assets which is in the form of cash reserves brings in no income at all, as the Bank of Canada, of course, pays no interest on its deposits.

It is in this unfavourable position that the banks would be frozen by the amendment which I suggested the Social Crediters might propose. The banks would be prevented absolutely from following the normal course of using part of their additional reserves to make additional loans or buy additional securities, which is the means by which bank credit and thus bank deposits are expanded on the basis of the additional reserves. It is the expansion made possible in loans and investments under the usual practice that enables the banks to cover the costs of the additions to their deposit liabilities. To block this normal expansion in order to make it safe for the government to exploit Bank of Canada credit more fully, means depriving the banks of the means of meeting the additional cost. As a result, either the shareholders of the bank must absorb these increased costs by receiving less earnings or suffering losses, or the depositors must pay the costs through higher service charges or reduced interest on savings deposits, or other borrowers from the banks must pay more, or bank employees must get less in the form of wages and salaries, or all or some of the four groups must share the burden between them.

It should now be possible to see the proposal in its true light. It is a proposal that the

government through the Bank of Canada should force the chartered banks to borrow from the public in the form of deposits which are of course liabilities or debts of the banks, at a cost either in interest or in services rendered, and to relend the funds so obtained to the government interest free. Obviously, such a system favours the government as a borrower. It enables the government to obtain not debt-free money as is contended by its advocates because notes and deposits are liabilities of the body which issues them, but rather interest-free loans. Obviously, also, the system is merely a complicated device for obtaining forced loans from the banks and either the shareholders, the depositors, or the borrowing clients or the employees of the banks must suffer the losses which are the government's gain. This is nothing less than taxation of a most discriminatory and unfair character. There is no reason why the government should seek to escape the cost of interest on its borrowings at the expense of any one or all of these particular groups associated with the banks. The only equitable policy is for the government to pay reasonable rates of interest appropriate to the form and nature of the borrowing and meet the cost from taxation levied by parliament in the way considered fairest and most equitable. If we must for any reason raise forced loans, they should be raised as a general measure applicable fairly to all in accordance with their ability to pay.

Now, I do not think such proposals would be seriously put forward by members of this house, if it were not for the belief which seems to be prevalent in certain quarters that banking is a costless function. We have heard so much talk in recent years about the ten to one ratio and so much propaganda about "fountain-pen money" that some people have come to believe that it costs banks little or nothing to carry on their operations, that it is a very simple business concerned almost entirely with holding a fountain pen upside down and letting the ink run, and that of course the banks must be making enormous profits. The facts are quite to the contrary and something at least of their general signi- finance should, I would have thought, be familiar to certain hon. members who belong to the Social Credit party. They at least should be familiar with the Public Accounts of the province of Alberta which show, if I read them correctly, that the Alberta treasury branches which operate certain deposit accounts had an excess of expenditures over revenue of roughly $390,000 on their operations during the fiscal year 1942-43, and even if we exclude the consumers bonus which was paid, a loss of $246,000.

I am quoting these figures to show that banking is not a costless function.

Mr. JAQUES: They do not create money.

Mr. ILSLEY: Total operating expenditures, after deducting this bonus and, by the way, without including any rentals of office space, were $368,000. As total deposits at the end of that year amounted to less than $6,900,000, this would appear to indicate that the cost to the Alberta government of operating these accounts was something over 5·3 per cent. This seems to throw some light on the cost of operating a deposit business.

While the facts as to bank operating costs and earnings refute some of the views currently held, I am convinced that they must be seen in order to be believed. I have therefore come to the considered conclusion that I should break a long-established tradition of Canadian banking and disclose to this house the essential facts in regard to the operations of the Canadian banking system as a whole.

If therefore the house will permit me, I will place on *Hansard* at this point a statement showing the current operating earnings and the current operating expenses of the Canadian banks as a group for the average of the fifteen years 1929-43 as well as for the year 1943, together with certain supplementary information relating to the amount of dividends paid to shareholders, the net amount of current operating earnings available for losses on loans, investments and other assets and for general contingencies, the net amount of capital profits including certain non-recurring profits, and the average annual amount required during the 15-year period for losses or specific provision for losses on loans, investments and other assets, less recoveries.

Mr. HANSON (York-Sunbury): May I ask the minister if those figures are disclosed in the monthly or annual returns, or are they confidential figures?

Mr. ILSLEY: They have never been disclosed before.

Mr. HANSON (York-Sunbury): They are not in the returns.

Mr. ILSLEY: They could not be ascertained from anything that has been made public.

Mr. HANSON (York-Sunbury): The banks are not obliged to disclose them?

Mr. ILSLEY: They cannot be ascertained from the returns.

Mr. QUELCH: Is the minister including the inner and hidden reserves?

Mr. ILSLEY: Yes. Certain percentage ratios are also given in order to facilitate interpretations of the table. I shall put the table on at this stage and discuss it later.

Mr. COLDWELL: These give the average for each year?

Mr. ILSLEY: I give the fifteen-year average.

Mr. COLDWELL: It is an average?

Mr. ILSLEY: Yes; then I give 1943 also.

Statement of Current Operating Earnings and Expenses and Other Information
For the Ten Chartered Banks
(Millions of Dollars)

	Average of financial years 1929-43	Financial year 1943
Current Operating Earnings:		
(1) Interest and Discount on Loans	77·5	60·6
(2) Interest, dividends and trading profits on securities	35·0	48·7
(3) Exchange, commissions, service charges and other current operating earnings	26·2	35·2
(4) Total Current Operating Earnings	138·7	144·5
Current Operating Expenses:		
(5) Interest on deposits	36·0	24·5
(6) Remuneration to employees	42·5	49·7
(7) Provision for taxes	10·5	15·9
(8) Contributions to pension fund	1·5	2·1
(9) Provision for depreciation of bank premises	1·8	2·3
(10) All other current operating expenses	20·0	20·4
(11) Total current operating expenses	112·3	114·9
Supplementary Information:		
(12) Dividends to shareholders	13·6	9·6
(13) Net amount of current operating earnings available for losses on loans, investments and other assets and for other contingencies	12·8	20·0
(14) Net amount of capital profits, including non-recurring profits	2·5	2·0
(15) Average annual amount required for losses or specific provision for losses on loans, investments and other assets, *less* recoveries during the fifteen financial years ending the year to which this return relates	13·8	13·8
Ratios to Total Assets [1]		
Total current operating earnings	4·02%	2·86%
Total current operating expenses	3·26%	2·28%
Average annual amount required for losses or specific provision for losses on loans, investments and other assets, *less* recoveries	0·40%	
Shareholders net income [2]	0·44%	0·35%
Ratio of Shareholders' Net Income [2] to Total Published Shareholders' Equity	5·09%	6·03%
Ratio of Deposit Interest to Total Deposits	1·25%	0·53%
Ratio of Interest on Loans to Total Loans	5·29%	4·55%
Ratio of Interest, dividends, etc., on Securities to Total Securities	2·80%	1·85%
Total Published Assets [1]	$3,446·8 mm.	$5,047·0 mm.
Total Loans [1]	1,465·9 "	1,330·4 "
Total Securities [1]	1,248·0 "	2,634·0 "
Total Deposits [1]	2,936·9 "	4,606·9 "
Total Shareholders' Equity [1]	294·9 "	291·9 "

[1] Averages based on published month-end returns.
[2] Shareholders' Net Income has been taken as the sum of dividends, net capital or non-recurring profits and net current earnings available for losses *less* average, annual net amount required for losses in 1929-43.

I will call attention to a few of the more significant points disclosed by this table. The average annual current operating earnings for the 15-year period were $138·7 millions or 4·02 per cent on total assets. These total figures are broken down into interest and discount on loans, earnings on securities and exchange, commission, service charges and other operating earnings, but I will not weary the house by quoting the detailed figures. Current operating expenses (not including losses) averaged $112·3 for the 15-year period which was 3·26 per cent on total assets. These expenses are classified under six headings. When we compare this figure of current operating earnings of only 4·02 per cent of total assets with operating expenses of 3·26 per cent, we have to conclude that there must be something wrong with this fountain pen theory and that the operating margin on which banks have to work is a fairly thin one.

The supplementary information shows that dividends paid to shareholders averaged only 4·6 per cent of total shareholders' equity over the last fifteen years. Even if we take total shareholders' net income which is the sum of dividends, net capital profits, including non-recurring profits, and net current earnings available for losses less the average annual net amount required for losses, we find that it amounted to only 5·09 per cent of total shareholders' equity on the average for the 15-year period. By no stretch of the imagination can a business which produces such results be regarded as a gold mine.

There is just one further point I would wish to make. The table which I have presented shows that after paying dividends which cannot be regarded as high, there was available, out of current operating earnings, for losses on loans, investments and other assets and for general contingencies only an average annual amount of $12·8 million. To this figure are to be added certain net capital profits, averaging $2·5 million a year. This figure includes certain non-recurring profits, among them the profit on gold in the year 1935 and certain profits on securities. In this latter connection it must be remembered that the 15-year period was one in which there was a substantial reduction in interest rates, leading to a corresponding increase in bond prices. Against the sums available out of current operating earnings and from capital profits must be set the requirements for losses or specific provision for losses on loans, investments and other assets, losses which must be expected in the business of banking over a period of years. For the 15-year period, those requirements after deducting any recoveries in respect of losses over-provided for in earlier years average $13·8 million per year. This is the average or "normal" loss experience during this period of good and bad years; everyone knows that the losses in the early thirties were much higher, requiring in certain cases the transfer of substantial sums from published reserves to inner reserves. It is clear from the table that our banking system has fortunately been able to absorb those losses and in addition that it must have strengthened its inner reserve over the last fifteen years by an average annual amount of modest size. Is there any hon. member who will take the responsibility of expressing the conviction that that amount is unduly large for a banking system which is the trustee of the people's savings and which has increased its assets and, therefore, its liabilities by no less than 62 per cent during the period in question.

It is true that interest being paid on savings deposits is now lower than it was on the average during the 15-year period and the total assets and the volume of business of the banks have increased under wartime conditions. On the other hand, the average rate of return on securities and other earning assets of the banks has decreased. The table shows that for the year 1943, total current operating earnings of the banks amounted to $144·5 million or only 2·86 per cent on the total assets of the banks. Current operating expenses, on the other hand, were $114·9 million or 2·28 per cent on total assets. The margin between operating earnings and operating expenses of the banks therefore was somewhat lower than the average for the 15-year period. I am speaking now about the year 1943. Dividends paid to shareholders in 1943 were only 3·3 per cent of total shareholders' equity, and even total shareholders' net income last year was only 6·03 per cent of shareholders' equity. Even in a good year like 1943 the total amount left over out of current operating earnings and capital profits available for losses or specific provision for losses and for general contingencies was only $22·0 million, although there had been a reduction in dividends paid by nearly all the banks, thus retaining for this purpose funds which would normally have been paid out. I have already pointed out that the average annual requirement for losses or specific provision for losses during the last fifteen years was $13·8 million. Under the circumstances and bearing in mind that the losses of bad years have to be met out of the earnings of good years such as 1943, it will be obvious that last year's net earnings were not unduly large.

As Minister of Finance it is my responsibility to exercise general supervision over the operations of the Canadian banks and that is a responsibility which I take very seriously. My considered judgment is that the Canadian banks have not made unduly large profits, that they have come through a most difficult period without impairing the proud tradition of safety which they have built up over a long period of years, that they have reserved an amount of earnings appropriate to take care of the normal hazards of banking but not an amount which responsible and prudent men could say is unduly large, and that their shareholders have been content with a net amount of earnings, both in the form of dividends and left in the business, which is really modest by comparison with the record of other businesses subject to similar risks and managed with comparable efficiency.

Mr. COLDWELL: Has the minister the figures showing the dividends related to the paid-up capital of the banks? I noticed the minister used the words "assets of the banks".

Mr. ILSLEY: No, the equity, the total equity.

Mr. HANSON (York-Sunbury): The shareholders' money?

Mr. ILSLEY: The total equity. That is not the assets.

Mr. COLDWELL: No, I know it is not the assets. The total equity would include some others, the capital obtained from the public.

Mr. ILSLEY: That is right, the rest funds.

Mr. COLDWELL: I want to know the rate on the capital originally obtained from the public.

Mr. ILSLEY: It is easily ascertained. I do not have it here. The figures are well known. It is well known what the capital of the bank is.

Mr. COLDWELL: I know; but to give a fair picture it should be placed on the record with the minister's statement.

Mr. ILSLEY: No, not at all. It would be a very unfair picture. You must take into account the rest funds as well as the subscribed capital.

Mr. HANSON (York-Sunbury): Dividends are declared on the paid-up capital.

Mr. ILSLEY: Major changes in the Bank Act. Apart from the extension of the charters of the ten existing banks for a further ten-year period ending July 1, 1954, the bill which is now before the house contains a great many amendments to our existing legislation as a result of the very thorough examination we have made of that legislation. Many of these are consequential in character or of minor importance and I shall call the attention of the house only to those of major importance.

First let me deal with the new provisions relating to the issue of notes by the chartered banks. Hon. members will recall that under the existing act the banks have been required to reduce their note issue gradually during the last ten years. As a result of this requirement the legal limit of their note issue in Canada on January 1, 1945, was to be 25 per cent of the amount of their unimpaired, paid-up capital, and what was to happen thereafter was to depend on a further enactment by parliament. During the present year the legal limit is 35 per cent, but the house will realize that in practice the banks must operate somewhat below this legal limit.

We have given very careful consideration to whether we should prohibit further note issue altogether or provide for a further gradual reduction in the legal limit of issue or provide for a continuance of the 25 per cent legal limit which without further enactment would be the law as from January 1 next. We were impressed by the fact that since the establishment of the Bank of Canada, note issue of the chartered banks has ceased to play the important role it formerly played in our economy, and impressed also with the desirability of having all our "money," in the narrow sense of the term (that is to say, coins and paper money) issued by an agency of the state rather than by private institutions. Moreover, from the point of view of the banks I think it can no longer be said that the small amount of notes which they are now permitted to issue can be of any great value in promoting efficiency and economy in the operations of the banks. We have therefore recast the relevant sections of the act to accomplish the following purposes:

1. to preclude any new bank that may be incorporated from having any right to issue notes;
2. to limit the right of existing banks to issue and reissue notes in Canada to the period ending January 1, 1945, and in that period only up to the present limit of 35 per cent of their unimpaired, paid-up capital;
3. to require the existing banks to reduce their note issue in Canada by January 1, 1945, to 25 per cent of their unimpaired, paid-up capital; thereafter until January 1, 1950, to take away from them the right to issue o reissue their notes; and to require them to retire all their notes outstanding in Canada by January 1, 1950; and

4. to allow existing banks to continue to issue notes for circulation outside of Canada but only up to a maximum of 10 per cent of their unimpaired, paid-up capital.

Mr. HANSON (York-Sunbury): Has consideration been given by the government in arriving at this conclusion to the effect of these provisions on the maintenance and operation of country branches? I hold the view that the power of the chartered banks to issue their own notes has a tendency to keep open branches which otherwise might not be maintained.

Mr. ILSLEY: I think the factor now is so small—

Mr. HANSON (York-Sunbury): It is thirty-five per cent.

Mr. ILSLEY: —that it would not result in the keeping open of any branches which otherwise would be closed. Whether or not branches are kept open will depend mainly on the possibility of making advantageous loans in volume in the districts concerned. There are other provisions in the bill which I think will help that situation.

Mr. HANSON (York-Sunbury): The charge against the banks was that they took deposits away from the small communities and lent them elsewhere. But the maintenance of the note issue was a factor in keeping open those branches, and if it is to be taken away the branches may be closed.

Mr. ILSLEY: The committee can consider that, but the percentage now is down to such dimensions that I do not think it would have any effect in keeping open any branches.

On January 1, 1950, the amount of unretired notes issued for circulation to Canada and still outstanding must be paid over to the Bank of Canada and the Bank of Canada will then become liable to redeem the said notes. On the passing of the act the Bank of Canada will become the agency for redemption of the notes of any bank that winds up. Notes of those banks which have been wound up in the past will henceforth be redeemed by the Bank of Canada rather than by the Minister of Finance. It will be obvious that as a result of these proposals the Bank of Canada is to become after January 1, 1950, the exclusive note-issuing agency in Canada, and it will also be the exclusive note-redemption agency, first, of the outstanding notes of defunct banks, and by 1950, of any outstanding notes of the existing banks.

I should add that the changes which we are proposing in regard to note issue will require certain other consequential changes. Apart from the necessary changes in the statements regarding note issue required to be made to the minister, there will also be a new subsection providing that the provisions of the Act relating to the circulation redemption fund shall cease to operate in respect of any bank after it has paid over to the Bank of Canada the funds needed to redeem any of its notes outstanding on January 1, 1950.

I might at this point refer to a somewhat related amendment to section 92 of the act. The general principle as to the responsibility of a bank in respect of deposits made with it which has long been in effect in Canada, has been that the claim of a depositor is not barred or lost by reason of any statute of limitations or prescription, the responsibility of the bank being a continuing responsibility. I believe that this principle is just, and fundamental to maintaining confidence in the banking structure. A modification of the application of this principle is proposed by the amendment. If, in respect of any debt owing by a bank and outstanding on its books in Canada by reason of a deposit, no transaction has taken place and no claim has been made for ten years, or if in respect of any such debt owing by the bank by reason of a cheque, draft or bill of exchange issued, drawn or certified by it, no payment has been made for ten years, the bank shall pay to the Bank of Canada the amount of the debt together with interest, if any, to the date of payment. Thereupon the liability of the bank in respect of the debt ceases and determines but it is provided that the Bank of Canada shall, if payment is demanded by the person who was creditor of the bank or by his legal representatives, pay the amount paid to it together with interest, if interest was payable on the debt, for a period not exceeding twenty years at such rate and computed in such manner as may be determined from time to time by the governor in council. After the expiration of the twenty-year period the Bank of Canada will continue to be liable to pay the amount and the interest accumulated during that period, but no further interest will accumulate. The governor in council may make regulations prescribing the time for payment by a bank to the Bank of Canada, the records to be maintained or kept by the bank with reference to a debt with respect to which payment is so made, the manner of payment of any claim against the Bank of Canada and the rate of interest to be paid by the Bank of Canada and the manner of computation thereof. The result of this amendment is that the principle I have referred to, that the claim of a depositor or his legal representative, to repayment of moneys deposited in a bank is not limited in time, is preserved, but unclaimed deposits, which

formerly were retained indefinitely by the chartered banks will no longer be retained by them.

Provision is also made that a bank shall not be liable in respect of any act or omission relating to an account kept by the bank, which occurred or which is alleged to have occurred thirty years prior to the making of a claim in respect thereof. At the present time a bank maintains complete records of all its accounts whether they are still open or have closed for many years, because there is no time limit on the liability of the bank to give an accounting in respect of any of these accounts. The amendment is designed to relieve the banks of liability where items in its accounts have not been questioned for thirty years and will permit the banks to destroy records more than thirty years old, the maintenance and accommodation of which are presenting an ever expanding problem, particularly under today's conditions. This provision does not apply to accounts kept by the bank in respect of unclaimed deposits, the provision for which I have already mentioned.

Various changes are being made in the provisions of the act regarding the many statements and returns required to be made to the minister. Former sections 112-114 have been recast and renumbered as sections 112-119 for purposes of clarification and to eliminate repetition. This has permitted the penalty sections relating to returns (former sections 154-162) to be consolidated into one section (section 158). Minor changes have also been made in the form of some of the returns in consequence of other changes made in the act or for other reasons and there have been certain deletions to avoid unnecessary duplication or because the relevant information no longer serves any useful purpose.

Very important changes are being made in respect of section 91. Subsection 1 of this section fixes the maximum rate of interest or discount which may be charged by any chartered bank. In keeping with the decline in interest rates which has occurred in recent years, this maximum rate is now being reduced from 7 per cent to 6 percent per annum. However, we are adding a new subsection which makes a far more radical change in Canadian banking practice and which will, I hope, make a really important contribution to public need. It has always seemed to me highly anomalous that while this parliament has passed an act authorizing small loan companies and personal money lenders to make small personal instalment loans on the basis of a charge for interest and other costs of 2 per cent per month for loans extending up to fifteeen months, nevertheless we have at the same time prevented our normal lending institutions, the chartered banks, from participating effectively or on any considerable scale in this type of business. The loans are for small amounts, the average, I believe, being around $150, they require to be repaid in small monthly or other periodic instalments, and collateral security is inadequate or lacking altogether. The result is that the costs of doing the business are high and the effective rate of interest must be proportionate or the loans will not be made. The only reason, I believe, why this house was convinced that the small loan companies should be allowed to charge a rate as high at 2 per cent per month was the belief that otherwise the necessitous borrowers who need these loans would be driven to pay higher, and indeed much higher, rates to so-called loan sharks. No one liked to approve a charge of 2 per cent a month and yet the alternative was far worse.

After very careful consideration, I became convinced that we should make it possible for the chartered banks to participate on a substantial scale in this type of business. They already have offices in easy access to the public throughout the country and should therefore be able to conduct the business on a more economical basis. I am therefore proposing that where a loan, evidenced by a promissory note, repayable in substantially equal instalments does not exceed $500 and is not secured otherwise than by endorsement of the note or by insurance on the life of the borrower in favour of the bank as the insured, the bank may charge discount or interest at a rate which, having regard to the term of the loan and the frequency of the instalments, does not exceed a rate of interest equivalent to the rate resulting from a discount of 5 per cent on a one-year loan repayable in equal monthly instalments. A 5 per cent discount on such a loan is equivalent to an effective interest rate of 9¾ per cent per annum, which, it will be noted, is considerably less than half the rate allowed to the small loan companies and personal money lenders. No other charge can be made by the bank in respect of such loans except, of course, interest at no higher rate on overdue payments and the actual cost to the bank of insurance on the life of the borrower. This insurance will be term insurance taken out in the form of a blanket policy on the lives of all such borrowers and the cost is very low indeed—I believe about twenty-five cents per $100. I wish to emphasize that the loans covered by the special provisions of this

subsection will be unsecured loans and that loans to a borrower who is able to give ordinary collateral security will come under the maximum interest ceiling provided for in subsection 1.

For these new proposals I would like the benefit of very special consideration by the banking and commerce committee and this house. In my desire to keep maximum charges low I may easily have gone too far and I would like the committee to hear evidence from the banks as to whether it is really possible to do this type of business under the terms which I am here suggesting. Furthermore, while in the interest of simplicity and for the purpose of avoiding an odd or fractional rate of interest, I have expressed the ceiling in terms of a 5 per cent discount, it may be that the committee may prefer to express the ceiling in terms of a maximum rate of interest per month or per year. I shall be prepared to welcome the guidance of the committee in this respect also.

An amendment to section 85 is being suggested to facilitate the financing of alterations of, repairs to or installations on ships or vessels. Under the present law a bank may loan money to aid in the building of a ship, taking as security therefor a mortgage, hypothec or lien on the ship. Under the amendment proposed they may take the same security for a loan to assist in the installation of engines or equipment or the repair or alteration of the ship or its engines or equipment.

There is also an amendment to section 75 which gives specific power to the banks to lend money or make advances upon the security of, and take as collateral security for any loan or advance made by it, lien or other notes, conditional sales contracts or any other instruments or agreements made or entered into respecting the sale of goods, wares and merchandise. The object of this amendment is to remove any doubt as to the validity of advances made on this type of security. Practically all notes taken for goods sold on a time basis are either in lien form or supported by lien contracts, and frequently the dealer who sells the goods or the finance company with whom he discounts the notes, desires to obtain bank credit against the security of such notes.

I now come to a series of amendments relating to a category of loans which, in banking parlance, is known as section 88 loans. There are a number of changes in the definitions in section 2 which have the effect of extending the coverage of section 88 and making it possible for certain additional borrowers to get credit thereby. Thus the definition of "grain" is now widened to include "beans, and all kinds of seeds" and the definition of "live stock" is being extended to include fur-bearing animals in order to assist farmers and others who raise such animals for their pelts or for sale as breeders. Similarly, the definition of "manufacturer" has been extended to include bottlers and canners of all kinds. There are certain other important changes in regard to farmers and fishermen which I shall come to a little later.

In addition to these changes, I am also submitting for consideration certain proposed amendments to sections 88-90 and the schedules relevant thereto. Some of these amendments are intended to eliminate repetitions and certain inconsistencies but others are designed to simplify the procedure in giving security which is now complicated and believed to be unnecessarily burdensome on both borrowers and banks. We have received representations not only from banks but also from business firms and organizations requesting this simplification. After careful consideration, the arguments appeared to me to be convincing and I have therefore included the proposed amendments in the bill. However, I would like the banking and commerce committee to give these proposed amendments very carefully consideration and to hear evidence from both business and bankers in regard to them.

Perhaps I can make clearer the nature of the proposed amendments if I say a few words about the working of the present section and the arguments which have been advanced for the suggested changes. Manufacturers constantly process raw materials into finished goods which are sold and new materials are continually being purchased for manufacture. Other types of borrowers likewise find it necessary frequently to turn over the goods upon which security is given. Under the terms of section 88, as it is at present, fresh security must be given every time new materials are acquired. This involves a good deal of needless paper work. By virtue of the new procedure under the proposed amendments the security given at the outset will be security for the payment of all loans and advances made or to be made under the seasonal line of credit granted under the original and any supplementary applications for credit and promises to give security. Property of the kind assigned whether owned or to be owned by the borrower is covered, thus facilitating the operation of a revolving line of credit and covering raw materials as they are acquired and manufactured. The

security will therefore conform to manufacturing and other business methods and will operate, in effect, as a continuing security, simplifying the process of giving security.

The result, it is obvious, will be to reduce the great amount of work required of customers who continue acquiring new property upon which they wish to borrow money. At the present time a grain dealer, for instance, who has already applied for and been granted a line of credit for the season and has signed a promise to give security may have to complete and sign daily not only a promissory note but a fresh assignment under section 88, describing all the promissory notes to be covered as well as the property covered and the place or places in which it is located. Under the new procedure an application for credit for the season coupled with a promise to give security will be signed. When funds are required, security in the new form will be given which will suffice for the season and as additional funds are needed all that will be necessary for the borrower to do will be to give covering promissory notes pursuant to the application for the seasons's credit. Consequently it is claimed that what has of a number of branches and it is sometimes previously been accomplished through a most laborious and cumbersome procedure both for borrowers and bank staffs will be accomplished with a minimum of effort and at the same time the banks will not be getting any thing in the way of security that they are not now getting for the same revolving credit as a result of the present laborious procedure.

It will be obvious to the house that these changes while primarily procedural, are nevertheless of real importance. The opportunity which the committee will have of cross-questioning witnesses from both business and banks will, I believe, enable hon. members to determine whether the greater convenience to the business community and the more readily availability of credit under section 88 warrant the adoption of these proposals. I am prepared to be guided by the views which the committee will reach upon the basis of the evidence.

I shall omit any reference to other minor changes and proceed immediately to explain the most important and I believe the most constructive changes which we are suggesting in this banking bill. I refer to the proposals designed to make credit, particularly intermediate credit, readily available on reasonable terms to farmers and fishermen.

In the field of agricultural credit the primary function of the chartered banks in the past has been to provide short-term or seasonal loans to farmers for the financing of current production. The widespread system of branches which our Canadian banks have established has on the whole proved well adapted to a country of great distances and rapidly changing frontiers of settlement. To facilitate farm lending, section 88 has been amended from time to time during the past fifty years, with the result that it is uniquely adapted to Canadian agricultural conditions, there being no counterpart so far as I am aware in any other country. Under this section loans can be made to farmers for any purpose on the security of threshed grain and livestock, and for the purchase of seed, fertilizer and binder twine on the security of the growing crop.

These provisions of the Bank Act have enabled the banks to extend credit on an extensive scale to farmers for the growing, harvesting and marketing of their crops. Nevertheless, there has been criticism both of the banks and of the legislation. The most common complaint is that the banks have been unduly restrictive in their lending policy, particularly during periods of difficulty such as were experienced during the drought and depression years of the thirties. This is a matter of judgment and I hold no brief for the bankers, who will have an opportunity to answer for themselves before the banking and commerce committee. There has also been criticism of the banks as a result of the closing said that with the smaller number of branches the banks are now unable to give adequate service to farmers in certain areas. It seems to me, however, that the credit stringency during the thirties and the closing of branches in rural areas were in the main a reflection of the unsatisfactory situation then prevailing in agriculture, due in part to drought and other climatic hazards and in part to the effect of the world-wide depression on agricultural prices. The government has already done much, and proposes to do more, for the purpose of achieving reasonable stability in agricultural incomes. As a nation, we must, and we are determined to, achieve a better balance between our rural and our urban economies and even without the legislation which the government has announced for establishing a floor under the prices of the major agricultural products, it seems to me that the outlook for the agricultural industry in the years immediately following the war will be more promising than it has been in a very long time. Given any reasonable assurance of stable prices and agricultural prosperity, I do not think that farmers will have any difficulty in securing from the banks the credit they need to finance their short-term or seasonal requirements. It also seems to me the reasonable expectation that the banks will only be too ready to re-open

branches in any community where there is any prospect of the branches being self-sustaining.

At the other end of the scale are the long-term credit requirements of agriculture. I need hardly remind the house that the chartered banks are not empowered under the Bank Act to lend on the security of real estate mortgages. This has been a fundamental principle of Canadian banking since confederation and experience has, I think, proved its soundness for depositors, borrowers and shareholders alike. The long-term credit needs of agriculture therefore, must be and are being met by a different set of institutions, namely, the insurance companies, the mortgage and loan companies and government lending agencies which specialize in mortgage lending. In this field the dominion has acted directly not only by making long-term mortgage loans available to war veterans, both after the last war and now under the new and generous Veterans Land Act, but also to other farmers through the Canadian farm loan board. I have already referred to the Central Mortgage Bank Act which was intended to facilitate lending by private agencies in this field, but the operation of which had to be postponed for the time being. Although in the meantime there has been a very substantial reduction in farm debts throughout Canada, it would be a mistake to assume that the need for a central mortgage institution has disappeared and, as I have already intimated, parliament may soon wish to give reconsideration to this legislation, perhaps with an approach somewhat different from that required by the special problems confronting us in 1939.

There remains for consideration another field of farm credit which grows steadily in importance as standards of living rise on the farms and as mechanization of the farm proceeds. This is the kind of credit needed by farmers to increase the efficiency of their farming operations and to add to the amenities of life on the farm. Loans for such purposes would usually be required for from two or three years to eight or ten years and are therefore usually referred to as intermediate credit. Such loans have not ordinarily been available from the banks partly because of the limitations imposed by the Bank Act, and partly because, as the liabilities of the banks are mostly in the form of deposits withdrawable on demand or short notice, it has always been thought desirable that they should keep their assets in rather liquid form. On the other hand, the farmer seldom feels justified in raising money for these purposes from a mortgage institution.

The Canadian Farm Loan Act provided for a system of intermediate credit by making second mortgage loans available for the purpose of consolidating debts, purchasing stock, machinery and equipment and making permanent improvements, but as such loans could be made only to farmers who were also borrowers on first mortgage from the board, these particular facilities were of course available to relatively few farmers. In the main, intermediate credit of this type has been provided to farmers by the implement companies, lumber dealers and other manufacturers and merchants with something durable or semi-durable to sell to the farmer. Financing of this kind is always relatively costly, partly because it is not sufficiently selective and partly because the farmer obtains his credit not directly but at second hand. One of the greatest difficulties was that the good farmer, able and willing to pay his debts on the dot, had to bear the burden of the losses and heavy collection costs caused by the inefficient or irresponsible farmer who could not or would not pay his debts as they came due. I have heard it said that a not inconsiderable portion of the cost of farm implements is due to the loading included in the price to take care of the losses and the high collection costs incurred by the implement companies. The term and method of repayment of these trade credits are also usually standardized and frequently are not adapted to the special circumstances of individual farmers. I think the house will agree that, if we can establish a workable system under which the farmer can pay cash to the manufacturer or dealer for his machinery and equipment and secure from some other source a credit on reasonable terms and with repayment adapted to his probable income receipts, we shall be making a real contribution to the reduction in the price of farm machinery and equipment and to the efficient and economical conduct of the farming industry.

I think also there can be little doubt of the extent of the need. With the shortage of man-power and materials, farm equipment and farm buildings must have been allowed to run down during the war years. When the war ends and controls are relaxed, there will presumably be need for an extensive reequipment programme for Canadian agriculture. Moreover, as part of a programme of post-war reconstruction and in order to improve farm efficiency and the amenities of farm life, we will wish to see a wide extension of rural electrification and widespread activity in the repair, renovation and construction of farm buildings. We will wish to see better houses, as well as better barns, and more bathrooms, more elec-

tric stoves, and more electric refrigerators in our farm homes. Finally, there will always be need for intermediate credit for drainage and fencing, for building up herds of live stock and for other permanent improvements.

Granted the need, how is credit for these purposes to be made readily available to farmers? Serious consideration over a long period of time has been given to various aspects of this problem. For a time we felt that we might have to set up a new government institution, perhaps somewhat similar to the proposed industrial development bank, with a hierarchy of offices and agencies throughout the country. The house will appreciate, however, that unlike the industrial development bank which will operate with a relatively few offices and a comparatively small but highly skilled staff, a similar agency to provide intermediate credit for agriculture could only do its job effectively with literally thousands of branches or offices throughout rural areas readily accessible to farmers. Some of the United States farm credit organizations were considered as possible models, but the government did not feel justified in imposing on farm borrowers, or on the country as a whole, the additional burden which the overhead costs of such an extensive organization would involve when the same objective could be attained more speedily and effectively and at a fraction of the cost by a comparatively simple extension of existing lending facilities. Moreover, a new set of institutions would have taken years to build up and to equip with competent and experienced staff. In contrast the solution which we are proposing offers facilities already at hand, ready to start to work to-morrow if we should decide that the public need so requires.

That solution is based on certain enactments which will make it possible for the chartered banks to supply the intermediate credit needs of agriculture, and which will encourage them to supply those needs to the fullest possible extent and upon reasonable terms and conditions. In the bill now before you, you will find a number of provisions enabling the banks to make the loans required and to take appropriate security therefor. The government proposes to introduce a companion measure to be called "The Farm Improvement Loans Act" which, if enacted, will authorize the Minister of Finance to give limited guarantees to banks in respect of loans made to farmers for specified purposes and complying with specified conditions, much along the lines of the old Home Improvement Loans Act which had such a successful experience in the years just prior to the outbreak of war.

[Mr. Ilsley.]

If the house will bear with me, I shall endeavour to explain my proposals in somewhat greater detail. The enabling provisions in the Bank Act are to be found in paragraphs (f), (g) and (h) of subsection 1 of section 88 and in subsections 2 and 3 of section 89. These provisions enable loans to be made to farmers for the purchase of agricultural implements upon the security of such agricultural implements for the purchase or installation of agricultural equipment or a farm electric system (defined to include all machinery, apparatus and appliances for the generation or distribution of electricity on a farm) upon the security of such agricultural equipment or farm electric system, whether movable or affixed; and for permanent improvements generally upon the security of agricultural implements. Permanent improvements in this sense will include the alteration or improvement of a farm electric system, the erection or construction of fencing or drainage works, the construction, repair, alteration or extension of any building or structure on a farm, and any other works for the improvement or development of a farm for which a farm improvement loan may be made under the companion legislation.

The provisions to ensure that these facilities will be made available to farmers to the fullest possible extent, at reasonable rates of interest and for sufficiently long terms will be found in the collateral measure to which I have referred. It would not be appropriate for me on this occasion to explain in detail the terms of that measure which is not yet before the house. However, to enable hon. members to grasp the significance of the changes being made in the Bank Act, I may be permitted to refer to some of its general principles. It will authorize the Minister of Finance to guarantee a bank against loss up to a specified proportion of the aggregate amount of loans of the eligible category made by a bank; incidentally it is intended that this specified proportion shall be 10 per cent. The bill will specify the types of loans that will be eligible for this guarantee. They will be classified by purpose and type of security to be taken, and the length of term as well as the maximum amount of loan permitted will vary with the class of loan. The maximum interest rate allowed to be charged by the banks will be 5 per cent simple interest per annum. There will of course be a limit on the total amount of loans which may be guaranteed without further enactment by parliament as well as a limit on the amount of loan which may be made in respect of any one farm. Finally, the legislation will permit the guarantee of loans not only to farmers who own their own farms

but, also for certain types of purposes, to purchasers under agreements for sale and tenant farmers as well.

It is obvious that this direct and simple approach to the problem of intermediate credit for agriculture has several very important advantages. It avoids delay; the loans can be made available throughout farm areas the day after the legislation comes into effect. It avoids the hazards and the additional costs of building up an elaborate, new and untried bureaucratic organization. It affords a desirable combination of government assistance with business judgment. The banks will be encouraged by the government guarantee to make loans wherever there is a reasonable prospect of repayment, yet they will retain sufficient interest in the soundness of each loan to exercise ordinary business prudence. Any cost which may ultimately have to be borne by the government should not be large in relation to the great benefits which will accrue The principle has already been applied with conspicuous success in the home improvement plan, the banks lending $50 million to home owners, mostly in urban districts, and within a period of two or three years. Under that plan of government guarantee, the losses to date are only about three-quarters of one per cent.

These new facilities for short and intermediate term agricultural credit form another and important part of the government's programme to prepare the way for a high level of employment and income after the war. The benefits will be available in some measure as soon as the legislation comes into effect, but the full value will appear only when wartime restrictions are lifted.

Mr. GRAYDON: May I ask the minister a question?

Mr. ILSLEY: Yes.

Mr. GRAYDON: The minister speaks of short and intermediate term credits being extended with respect to agriculture and some other branches; but has the government closed the door entirely upon this means of financing the type of security that is covered by an industrial development bank?

Mr. ILSLEY: Oh, yes. The needs of small industry will be met by the Industrial Development bank instead of by guarantees.

Mr. GRAYDON: No; the question I asked was this—and I raised it on a debate previously in connection with the Industrial Development bank—whether the existing lending institutions might conceivably be used for the purpose envisaged by the Industrial Development bank in the same way the minister now proposes to do in the case of agriculture.

Mr. ILSLEY: No; that would involve a guarantee on the basis of the home improvement plan, and I think it is better to do it the other way, in the case of the Industrial Development bank. In the case of the Industrial Development bank you only require to have ten or twelve branches all over the country and you can handle it without trouble. But you cannot handle this in that way.

Mr. GRAYDON: The principle seemed to be the same. That is why I raised the question.

Mr. ILSLEY: During the war some farmers will have accumulated funds to pay for their own post-war programmes, but it is essential that such additional financing as may be necessary and desirable should be available on terms that do not place an undue burden on the farmer. This is particularly important in view of the necessary replacements that must take place when supplies of implements and equipment are again available in full volume. I may add that the government is hopeful that these new facilities will be used extensively in the improvement, modernization and electrification of farm homes which, I am convinced, should be one of this country's major post-war objectives.

Our study of the special credit needs of agriculture led to an examination of the credit needs of other primary industries. Facilities of section 88 of the Bank Act have been available for a long time to the logger and the lumber man, and I know of no difficulty in this field which would suggest the need of any special legislation at this time. There are, however, real and difficult problems in the fishing industry.

Mr. HANSON (York-Sunbury): What about the decision of the privy council in the Royal bank and Port Royal case?

Mr. ILSLEY: I shall have to discuss that, I am afraid, in the banking and commerce committee. I do not know just what the decision is to which the hon. gentleman refers.

Mr. HANSON (York-Sunbury): I know, to my sorrow.

Mr. ILSLEY: This industry presents problems not only in the credit field but in the economic and social fields as well. Provision of better credit facilities will be helpful but will of course not solve all the problems. Conditions as between the Pacific coast, Atlantic coast and inland fisheries vary considerably, but the need for new capital is probably greatest along the Atlantic coast where fishing is carried on in scattered communities originally adapted to salt fish production which have only recently begun to

adjust themselves to modern conditions of freezing and canning. It is significant that ninety per cent of the fishermen on the Atlantic coast work on their own account. Most of these fish in the coastal waters from small boats which cannot put to sea except in good weather. Deep sea fishing is organized on a large-scale basis and is carried on chiefly by corporations owning a number of boats or by co-operative groups, fishermen and others, who join together in the ownership and operation of a vessel. Low prices and relative depression in the industry from 1928 to 1939 prevented individual fishermen from accumulating any surplus themselves. For the same reasons outside funds were not attracted to the industry in any volume. The mortgage lending institutions found it difficult to do business with fishermen because of the lack of substantial collateral. Consequently, fishermen working on their own account have had to rely often on instruments made by hand or on the cheapest type of capital goods such as might be provided by merchants or outfitters on credit. In recent years credit unions in certain districts and the fishermen's loan board in Nova Scotia have supplanted merchants as a source of capital, but the resources of these institutions allow them to make relatively small loans. In only a comparatively few localities have fishermen been doing business with commercial banks. In short, although fishermen are more prosperous now than for many years, the credit facilities at the disposal of the fishing industry are incapable of providing the capital for that improvement and increase in efficiency of boats and gear and processing equipment which will be necessary if the industry is to be reasonably prosperous after the war. Only through such increase in efficiency can our fish resources be exploited effectively and the highly perishable product handled in such a way as to compete with modern food industries.

The Industrial Development bank should be useful in meeting some of the capital requirements of the fishing industry as its powers include the granting of credit for the construction of fishing craft or for refrigeration or other processing needs. In order to permit and encourage the chartered banks to finance at least certain of the short-term and intermediate credit needs of fishermen, we are proposing an amendment to section 88 of the Bank Act which would make it possible for a bank to make loans to any fisherman upon the security of fishing vessels, fishing equipment and supplies or upon the catch itself.

To make these provisions fully effective, it will be necessary, I believe, to enact a companion measure somewhat similar to the Farm Improvement Loans Act which I have already described, which will enable the government to give a limited guarantee in respect of loans made by chartered banks to fishermen. It will probably not be possible to introduce this legislation at the current session of parliament. Other measures will have to be taken by government to enable this industry to become a healthfully functioning industry providing reasonable economic returns and sound social conditions and all these measures must fit together into a well rounded and integrated programme for the industry as a whole. A careful investigation is being undertaken with this objective in view. In the meantime it is proposed that loans made by banks for the renovation or modernization of the homes of fishermen, many of whom in fact combine fishing with farming or logging, may be included under the guarantee facilities to be provided for under housing legislation to be introduced later.

I have now completed this long survey of the major changes which we are proposing in our banking legislation as well as of the considerations and guiding principles with which we approached this decennial revision. I trust that the house will agree that we have made a very serious effort to bring this legislation up to date and to make sure, in so far as it can be done by legislation, that our banking system will meet efficiently and effectively the varying requirements of the different sections of our population and thereby make the maximum contribution to the building and development of the greater and better Canada to which we all look forward.

On motion of Mr. Ilsley the debate was adjourned.

WAR APPROPRIATION BILL

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

The house resumed from Monday, May 1, consideration in committee of a resolution to grant to His Majesty certain sums of money for the carrying out of measures consequent upon the existence of a state of war—Mr. Ilsley—Mr. Bradette in the chair.

DEPARTMENT OF LABOUR

National selective service programme, $11,002,429.

Mr. FRASER (Peterborough West): At page 560 of *Hansard* the hon. member for York South (Mr. Noseworthy) is reported as follows:

The point is that these people object to paying for the war under compulsion. One of these

men tells me that if he had consented to pay $2 a week to the Red Cross he could have avoided going to gaol or going into the army.

Mr. MITCHELL: Who made that statement? I never did.

Mr. FRASER (Peterborough West): The hon. member for York South.

Mr. MITCHELL: I am not responsible for any statement made by him. You had better ask him the question.

Mr. FRASER (Peterborough West): The hon. member asked the minister of defence a question in that regard, and I wondered whether there was any truth in it because a number of people have asked me the same question. Does the minister say that there is no truth in it?

Mr. MITCHELL: I am dealing with a man-power pool of 1,600,000 people. I cannot answer offhand a question of that kind, but I doubt whether there is any substantiation for the statement that a man in exchange for $2 a week to some organization can escape going to gaol. To me it does not ring true.

Mr. FRASER (Peterborough West): The statement is, going to gaol or into the army. It is something that should be cleared up.

Mr. DIEFENBAKER: In this regard, I asked the minister a question about conscientious objectors and particularly the number of conscientious objectors who are allowed to remain on the farms of parents or relatives and do their alternative service on these farms. I have in mind a man who was declared a conscientious objector and who was given certain forms to be executed. In those forms there was a clause whereby, as long as $15 a month was paid to the Red Cross, this man was guaranteed the right to remain on the farm, but if the employer failed to turn over $15 a month, in that event the man was to be sent to an alternative camp. That is as recently as March 21 of this year. The minister said that he did not like to see men sent to these camps because the work they would do would not be necessary to the war effort. I have before me a copy of the agreement which conscientious objectors working on farms are required to sign. One provision is that the employer shall pay for the employee's services in respect of such employment at the rate of farm labour, $40 per month, and the employer shall further provide suitable board and lodging for the employee. The employer shall pay to the employee the sum of $25 per month. The employer shall pay to the Canadian Red Cross Society, or such person as the Minister of Labour may designate to receive the same for the Canadian Red Cross Society, the balance of said monthly payment payable by the employer for the employee's services, namely, the sum of $15 per month.

How many of the 8,000 conscientious objectors now on farms are actually on farms of their parents or brothers? As regards the Doukhobors, the minister says that the problem has been completely solved in Saskatchewan. What it amounts to in their case is the approval of the flouting of these regulations by these people. I should like the minister to give the numbers with regard to these people, and then I have something more to say in that connection.

Mr. MITCHELL: I have not the figures in front of me of the people on their own farms. I shall be glad to look up that information and find out the disposition of these people if it is physically possible. Let me be frank about this; I still hold the opinion that it is far better to have these people working in a productive capacity than to have them tucked away in some camp, provided they comply with the law. If they do not comply with the law they go into a camp. Make no mistake about that.

Mr. DIEFENBAKER: What it amounts to is this: while alternative service was prescribed and the method of that alternative service was described, the result to-day is that for the payment of $15 a month to the Red Cross these people are allowed to perform service on behalf of others on their own relatives' farms.

There is another matter I should like to ask the minister about because it is of considerable importance. It has not been answered because it has not been drawn to the minister's attention. This information is of great importance in discussing the minister's speech because it has to do with the availability of reinforcements for the armed services. In his speech the minister used these words, which are to be found at page 2445 of *Hansard:*

> Recently my colleague, the Minister of National Defence (army), made the statement in the house that he would require 60,000 men in the year commencing the first of April. In further correspondence with me, he has stressed the absolute necessity of obtaining these men, particularly bearing in mind the requirements of operations which are in prospect. In the last six months, September, 1943, to February, 1944, there actually have been more than 5,000 men per month who were enlisted and enrolled in the army alone. However, the monthly average has been decreasing, and at times enlistments and enrolments have fallen below the numbers required by the army.

This is a matter upon which the minister must have full statistics. At page 2445 of *Hansard* I asked him the question as to the

months when the numbers enlisted and enrolled fell below the numbers required. As I understand it the difference between the enlistments and enrolments is that enlistment represents volunteering for service anywhere and enrolment represents the recording of a man's call-up in the home defence army. I ask the minister to give the figures as to the numbers that have been asked for by the Minister of National Defence for the army in each of the months beginning October 1, last, and also the numbers required under the call-up scheme from month to month, and the degree to which these requirements have been met month by month to date. The minister said that he had the information available but did not have it before him at the moment. The minister said, as reported at page 2445 of *Hansard:*

> I can get those figures for my hon. friend, but I think he will appreciate that when you are operating machinery of the magnitude I am, you cannot remember all these little details. I shall be glad to make a note and get those figures at the earliest opportunity.

I ask the minister to furnish that information now.

Mr. MITCHELL: That still stands, Mr. Chairman. I will get the figures. I have them here in a partial way. Since my hon. friend has been talking figures I intend to talk figures. I intend to talk about this phantom army of 390,000 people in respect of which my hon. friend made the headlines as usual this morning.

Mr. FRASER (Peterborough West): The minister will make them to-morrow morning.

Mr. MITCHELL: I do not think so. The newspapers in which my hon. friend made the headlines are not newspapers that are friends of this government. My hon. friend made the same mistake as was made last year and there is a simple explanation for it. I should like to draw to his attention the situation with respect to the province of Quebec, to which he referred. He said that there were only 8,872 called up when there should have been 39,000.

Mr. DIEFENBAKER: Called up for medical examination in military district F.

Mr. MITCHELL: Wait until I am through. I think he told only half the story and he put the worst possible complexion on that half. He is assuming the total number called to report for medical examination at Quebec is the total number called in the province of Quebec. He has simply omitted the total number called to report in the city of Montreal. The total for the two places is 81,855, just about ten times as many as my hon. friend mentioned in his speech yesterday.

In dealing with man-power figures I do not wonder that one becomes confused. They are, of course, big figures. May I refer to table No. 7, which was placed on *Hansard* on April 28 and may be found at page 2451. An explanation of the accounting has been made there and shows a total of 1,665,504. It is not exact. I am frank to admit it is not exact accounting because there is an additional shortage of 49,000 men, and not 390,000 men, as my hon. friend pointed out yesterday. I am confident that when I next make a survey of the man-power resources of this country before this committee we shall have been able to account for the 49,000 men. May I say that there are deficiencies in every country where there is a man-power problem. It is inevitable. People die and you do not know anything about them. In the Dominion of Canada people slip across the border and join the United States army; they go into the mercantile marine, and so on, but I do not think it is in the best interests of Canada to broadcast figures of that kind, because after all is said and done, the 390,000 men of whom my hon. friend speaks constitute almost as big a number as the total of the active forces, army, of the Dominion of Canada. I think the people of this country, and even the hon. member himself, take that figure with a grain of salt. He is simply taking the number of orders to report for medical examination and deducting the number of men who reported. The remainder he calls the "lost men". If you look at the table appearing at page 4039 of *Hansard* of 1943 you will see that there is an explanation of the difference, and it is a simple explanation.

Then my hon. friend takes order No. 142-A, which shows the result of the military training call-up as of January 31, 1944. This shows 433,453 men called, and it explains just what happened. It admits that 9,274 who were called did not comply, and, in addition, that 4,803 orders did not reach the men, making a total of 14,077 as of January 31, 1944. These have not been located, but we have been tracing them and some of them have, of course, been located since that date. Instead of using the figure 14,077, my hon. friend adds another 5,000, making a total of 19,077. I am afraid my hon. friend did not study arithmetic in the same school that I did.

Mr. DIEFENBAKER: That is true.

Mr. MITCHELL: At page 2498 of *Hansard* my hon. friend speaks of 22,000 men having been found by commission agents. Actually the figure is 25,710.

Mr. DIEFENBAKER: The figure given by the minister the other day was 22,000.

Mr. MITCHELL: I said that was an approximate figure. I have a vivid recollection of that; I was very careful about it, because I was making an extended statement at that time. I pointed out very clearly to my hon. friend that the figure was approximate. Again on the same page the hon. gentleman speaks of the total number of prosecutions up to the end of March, 1944, as being 4,214, when actually there were 5,227.

Mr. DIEFENBAKER: Was that not the correct number up to the end of January?

Mr. MITCHELL: No; the total was 5,227. If I may put it in this way, I do not think it is quite the right thing to endeavour to place other than a proper interpretation upon the man-power situation of this country. It is like the case of a man biting a dog; that is news, while it is not news if a dog bites a man. I do not consider it quite right to let the story go to the four corners of the earth that we have 390,000 men missing as far as the call-up is concerned. Last year it was the man-power muddle; this year I suppose it is going to be the lost battalion. Before hon. gentlemen make statements of that kind, if they are not clear on the facts my office is always open, as are the offices of my officials. If hon. gentlemen want to place the correct interpretation upon any figures dealing with such a vital question as the man-power situation of this country, I am sure my office door always swings both ways, as well as the doors of the offices of my officials provided the information solicited is of a kind that can be made public without being of any assistance to the enemy.

Mr. GRAYDON: May I ask the minister if the figures coming from his office would be at all different from the figures given in the house?

Mr. MITCHELL: Of course not; why should they be?

Mr. GRAYDON: I do not know, but I understood that the hon. member had built his case upon the figures contained in a return brought down in the house.

Mr. MITCHELL: The same mistake was made last year, and I assume that my hon. friends went back to the computation they made at that time. I have sat in opposition in this house; I think I know the duties of an opposition. As I said the other day, when you are asking a question you may spend hours in drafting it so as at least to make it difficult for the government, if not actually embarrassing. So it is when you deal with a set of figures; sometimes when your case is not very good you will not make the sort of computation you would make if you were sitting where I am, and had to give the Canadian people the figures as they exist in my department. I am not going to say more than that, Mr. Chairman, except that I hope the press to-morrow will make the necessary corrections, not necessarily in the interests of any political party but in the interests of this dominion and the war effort it has been making since the outbreak of hostilities.

Mr. DIEFENBAKER: Now the minister has stated his side of the story it becomes necessary for me to present the figures which I did not place upon *Hansard* yesterday, and all of which came from the minister's office. I do so because, while the minister has not attempted any explanation of the lost individuals to whom I referred, yesterday afternoon, as reported at page 2501 of *Hansard*, said:

> My hon. friend spoke about figures . . . I do not want to take him too harshly to task on that, but I think that observation might be made in reverse, and I say that in a kindly way. I mean the figures my hon. friend quoted were all staggered.

I take it that the meaning of those words was that the figures I gave dealt with different periods. The figures I gave yesterday—they are in the returns office and can be checked there—all had to do with the period up to January 31, 1944. There would be no necessity for me to place these figures upon *Hansard*, if instead of returns being brought down which find their way to the returns office and there remain embalmed, the answers to the questions asked by hon. members in connection wiht such matters were placed upon *Hansard* itself. Let me begin with the statement by the minister that I was in error when I stated that 22,000 represented the number who had been prosecuted.

Mr. MITCHELL: Not 22,000 prosecuted.

Mr. DIEFENBAKER: That 22,000 had been picked up.

Mr. MITCHELL: No, not even picked up; traced.

Mr. DIEFENBAKER: When I made my speech yesterday afternoon I was relying upon the figures which had been given me by the minister the day before, but they were revised and enlarged after I spoke.

Mr. MITCHELL: My hon. friend will admit—

Mr. DIEFENBAKER: I did not interrupt the minister.

Mr. MITCHELL: That is all very well, but I do not want to be accused of bad faith. I was making a lengthy statement; my hon.

friend asked me a question and I said that I had not the figures before me but that these were the approximate figures.

Mr. DIEFENBAKER: Now I am criticized for having relied upon the approximate figures given by the minister. Yesterday the figure was revised up to 25,000. The approximate figure given the day before, upon which I relied, was 22,000, and I am now to be criticized for having used the figures given to parliament by the minister. I think that is sufficient on that point.

Then the minister said I was in error as to the number of prosecutions. In that regard I was relying upon return No. 142F, in which figures were asked as to prosecutions against defaulters under the National Resources Mobilization Act up to January 31, 1944, the last figures available, by provinces or military districts. The answer was as follows:

Prince Edward Island	2
Nova Scotia	25
New Brunswick	89
Quebec	2,443
Ontario	722
Manitoba	324
Saskatchewan	229
Alberta	138
British Columbia	242
Total	4,214

That was the figure I gave yesterday, the latest information available. Then the minister said that the number of dodgers was only about 49,000, or approximately three per cent.

Mr. MITCHELL: They are not dodgers; I would not go that far.

Mr. DIEFENBAKER: Well, they have disappeared. Here is what was said by James Butler, chief investigating officer of the Toronto branch of the mobilization board, as reported in the Toronto *Telegram* of March 4, 1944:

> It is amazing the number of young men who are believed to be dodgers of service with the armed forces.

If three per cent only are missing who are not even dodgers, that would not be amazing. The statement made by Mr. Butler indicates how widespread and how great is the number of those who have disappeared. The record tells its own story. Those records I shall now place before the committee. I shall have to ask the pardon of the committee if I proceed to read these various items. I know figures are tiresome, but I believe it is necessary to refer to them.

First I turn to what the minister said on June 23, 1943, as reported at page 4039 of *Hansard,* and I have here the statement to which he has just given his approval. It shows the numbers called for medical examination up to April 16, 1943, as follows:

Military district	Location	No. called for medical examination
A	London	74,578
B	Toronto	189,205
C	Kingston	60,008
D	Port Arthur	12,189
E	Montreal	210,245
F	Quebec	107,883
G	Halifax	43,113
H	Saint John	33,303
I	Charlottetown	8,167
J	Winnipeg	67,394
K	Vancouver	72,147
M	Regina	69,000
N	Edmonton	41,243

As I said yesterday, the total is 988,475 called for medical examination.

Mr. MITCHELL: I wonder if my hon. friend would read the prelude to that. That is the explanation.

Mr. DIEFENBAKER: I am reading this.

Mr. MITCHELL: You do not want all the evidence in, that is the trouble.

Mr. DIEFENBAKER: The records are before the house.

Mr. MITCHELL: But they are not.

Mr. DIEFENBAKER: We find that 988,475 were called for medical examination, and the number who reported for medical examination was 608,642. The minister explained the discrepancy to the committee yesterday by saying that in some provinces there is greater industrialization, or greater agricultural activity.

Mr. MITCHELL: Some military districts—not provinces.

Mr. DIEFENBAKER: And that explains the reason for the difference? Mr. Chairman, this has nothing to do with the call-up for service; this is the call-up for medical examination. So that as of April 16, 1943, some 380,000 who were called for medical examination did not report for examination. If the records are as perfect as we are told they are—and we know to-day that more than 4,000,000 people in Canada are employed in connection with the war effort—if the record is so complete that the minister can give a perfect break-down as to what all these people are doing, and if all the registrations which have taken place since 1940 are before the department, surely there would be some explanation other than the ephemeral one which has been given as to where the 380,000 went.

Then, coming down to January 31, 1944 we find the information in return No. 142E,

wherein I ask the number of men called for medical examination as of January 31, 1944. They are as follows:

Military district	Location	No. called for medical examination
A	London	97,972
B	Toronto	258,878
C	Kingston	91,481
D	Port Arthur	21,018
E	Montreal	283,376
F	Quebec	116,607
G	Halifax	80,243
H	Saint John	58,641
I	Charlottetown	13,114
J	Winnipeg	93,970
K	Vancouver	111,672
L	Regina	118,477
M	Edmonton	103,968
		1,449,417

The number who reported for medical examination were 979,569, or a difference of 469,848 men.

I now pause for a moment to answer a statement made a moment ago by the minister.

Mr. MITCHELL: Where did you get that last figure? It must be from some other return.

Mr. DIEFENBAKER: It is the same return, No. 142E, showing the number of men who reported for medical examination on January 31, 1944. The reason why we have to ask for this information in two different questions is so that we would get the exact figures, of the same date, namely, January 31, 1944. When information on call-ups is given as it used to appear in "Canada at War", we were enabled to analyse the statements as changes from month to month took place. Then a new system of bookkeeping was set up. So that in order to get the information, we have to follow the course of asking questions at different times, but as of a given date—not as of different dates.

I paused a moment ago to answer what the minister had said. He said I had made a statement which was not in acccordance with the facts, so far as district F at Quebec is concerned. The statement I made was that fewer than 9,000 of the number called up for medical examination between June 23, 1943, and January 31, 1944, came from district F, Quebec. I did not mention Montreal. It had a very large call-up for medical examinations. I mentioned Quebec district only, and here are the figures: Military district F, Quebec, number of men called up for medical examination as of January 31, 1944, 116,607. The number called up for medical examination, according to the minister's statement of June 23, 1943, as of April 16, 1943, was 107,883, a difference of less than 9,000. So that the statement I made was entirely correct. And it is borne out by the figures given by the minister last June, and the return, No. 142A.

I now proceed to the next figure. Some of the disappeared group enlisted, on receipt of the order. We may turn to return No. 142A where the minister answered as to the number who enlisted on receipt of the order. The number who enlisted as of January 31, 1944, was 71,545. In addition to that, there must be taken from the roaming legion a total of 9,317 men, being statutory exemptions, et cetera, men who were rejected or in connection with which there was duplication. This is shown in return No. 142A. If the minister will take these figures he will find that the statement I made was entirely correct. In fact, on the figures I gave, after making due allowances for enlistments of which the department has no record, I made an understatement. But that is not the complete picture. Not only did 469,848 men not answer for medical examination, but after those who were medically examined had completed their examinations and the call-ups took place, another large number disappeared. I now give the rest of the picture.

According to return No. 142A, of the 979,569 men who reported, up to January 31, 1944, the number placed in category A was 434,453 men, less than fifty per cent. The calls went out and here is the record of the disappearances. This is found in return No. 142A as of January 31, 1944. In answer to the question, "How many training orders were sent out?" the following answer was given:

Military district	Number
A	25,859
B	81,111
C	26,144
D	6,070
E	109,787
F	29,001
G	21,935
H	16,134
I	3,811
J	23,732
K	37,954
L	29,170
M	22,745

We start off with the fact that 1,449,417 notices for medical examination were sent out and of that number only 979,569 men reported for medical examination. A total of 434,453 military training orders were sent out but only 220,762 men reported. In other words, between the time they were medically examined and the time call-ups were sent out 212,691 disappeared.

Mr. MITCHELL: That is not true; that is not the fact.

Mr. DIEFENBAKER: I am reading from the return.

Mr. MITCHELL: My hon. friend is sticking his fist into a pile of papers and pulling out sheets and he gives a different story with each sheet. That is not the fact. Let us get the record straight.

Mr. DIEFENBAKER: There is not a different story. Those are the records from the department as of January 31. It is surprising the minister does not know of these figures because they came from his department. There were 212,691 men who disappeared. Even putting the best side on the question, all that enlisted was 71,545, as shown by return 142-A. That leaves a further number of 141,000 who are still lost and who still must be accounted for.

Mr. ROWE: How many does that make altogether?

Mr. DIEFENBAKER: They can be totalled up. These are not staggered figures; these are figures that come from different returns and they are reinforced by what is shown in "Canada at War". "Canada at War" issued full figures in January and February, 1943, which revealed the situation and showed the trend that was taking place. Men were disappearing and enforcement was falling down. We in the opposition drew that matter to the attention of the country. What happened? Those figures did not appear again in "Canada at War" throughout 1943.

In January, 1944, we had a new set of figures and a new basis of bookkeeping in "Canada at War". It is only by an examination of returns such as I have referred to—I have taken all of the particulars in those returns that have anything at all to do with the matter—that we find out the position of affairs. In spite of the fact that the minister would wave the situation aside there has been no explanation of where these men are, what happened to them or what is taking place in connection with enforcement.

Yesterday the minister stated that he had nothing to do with the courts of this country. That is quite true. I referred to the extremely low penalties being imposed upon men who have been convicted as defaulters under these regulations. It is true that the minister has no control over the courts, but he can alter the penalties that are provided for in the regulations and make the punishment such that those who are minded to default will realize that there is no profit in taking that action.

At six o'clock the committee took recess.

[Mr. Mitchell.]

After Recess

The committee resumed at eight o'clock.

Mr. DIEFENBAKER: I think I have now placed before the committee sufficient information from the returns and information furnished by the department itself to establish conclusively that not only were the statements made by me yesterday in accordance with the facts, but that the actual figures disclose an even greater number of delinquents than were referred to by me. I have set out in detail, based on the various sessional papers which have been brought down, the number of men to whom medical notices were sent, the number who reported in pursuance thereof, and finally the number who were called up for military service and the very considerably lower number who reported; and deducting therefrom the numbers shown to have enlisted, and the statutory exemptions, the figures I gave yesterday, I repeat, have been conclusively proven. They cannot be answered by merely saying, "Well, we cannot explain the shortage; or the loss, or the missing hundreds of thousands; they must be around, they must be in the armed services"; for I would point out that the department has very full records to-day. Last Friday the minister showed that the number of people in the armed services of Canada and at work was 5,057,000, being fifty-seven per cent of those fourteen years and over. Last year the figures he gave were that the number in the category fourteen years and over was 8,720,000. The government has the records. The answers regarding man-power given to the house have been summarized by me and brought together in a composite picture; and they reveal exactly the situation to which I referred yesterday.

Another matter to which I wish to refer is that of medical fitness. There is a pronounced difference in the degrees of medical fitness in the various provinces; and I should like to know from the minister whether the Pulhems system for the medical examination of recruits or of those called up under the National Resources Mobilization Act is being used in every province, or whether its application is confined to one or more provinces.

Mr. MITCHELL: It is used in all the provinces.

Mr DIEFENBAKER: So that it is being used everywhere across the dominion? Its application no doubt accounts for the very large percentage of men who are found to be physically unfit. Now that I have the assurance of the minister in that regard I need not pursue the matter any further.

There is just one other point I wish to make. I referred this afternoon to the January, 1943, issue of "Canada at War." I should like to refer to the February, 1943, issue of the same publication, which showed the position of affairs in so far as the call-up is concerned to December 26, 1942. Even at that time it was admitted in the particulars which were given that 87,485 medical examination notices had been undelivered, that 9,345 military training notices had been undelivered, and that in addition there were cases pending and delinquent and otherwise unaccounted for, numbering 98,128. According to the official records, therefore, the number unaccounted for, including cases pending, was then 194,958. To-day the situation is much more serious. The number has rapidly increased until it now amounts to the figures I gave yesterday. What I ask of the minister is the latest figures on the situation. The question was asked yesterday by the hon. member for Hastings-Peterborough, who requested a recapitulation of the figures up to date in order to show the proper, unvarnished position so that the Canadian people might know the facts.

I have given the facts revealed by the answers of the minister and the returns brought down in this house. Those figures, startling as they are, cannot be answered by a mere sweep of the arm and a declaration that they are meaningless; they stand as a direct challenge to the government. Yesterday I placed before this house and the country the generalizations based on the information furnished to this house in the returns; to-day I have supported my statements by figures directly and definitely taken from the government's own answers. The responsibility now is upon the government to meet the situation.

I again suggest that enforcement is important and that it can never be achieved while the penalties provided for under the regulations are of so low an amount that they actually operate as an invitation to those who would be delinquent to continue to be so; for if a man escapes for two, three, four or five months and the only penalty imposed upon him is a twenty-five dollar fine, there is an invitation to wrongdoing, for the penalty is not comparable with the offence.

A year or so ago, there were many who did not understand the regulations, and the provisions for the penalties at that time could be justified. Everybody knows the regulations to-day. Every newspaper in Canada has carried advertisements. Not only that, but a check-up has been taking place all the time. In addition, immunity was offered; all who would return would be forgiven. Yet in the face of all these activities Mr. Butler in Toronto was justified in indicating recently that the situation was appalling in its result. And the minister takes my remarks as a personal criticism. Far from it; it is not given in that way. It is a situation which is difficult. The responsibility was placed on him; he started with an inheritance of delinquents, but that inheritance has been increased.

All we ask is that this condition be frankly faced. To-day we are short of man-power: the minister says that his department is scraping the bottom of the barrel. If so, surely now is the time, having regard to the fact that we face the darkest period of the war in so far as prospective casualties are concerned, to secure the mobilization of every available man. Now is the time to have revealed to the country the situation as shown by the returns referred to, to the end that an intensified campaign may be undertaken with a view to securing the necessary man-power. Placing this matter, not on the basis of any hypothesis, not on anything but the figures of the government, I do not think the minister has any right to suggest that the figures I have given are not in accordance with the facts. Every statement I made yesterday has been to-day established on the basis of the government's returns. I have given a composite picture of the situation, and I ask the minister now to explain what appears to be up to the present time, so far as the department is concerned, the inexplicable disappearance of hundreds of thousands of men.

Mr. POULIOT: If the minister will permit me before he replies to the hon. member, I have some observations to make, as one who is in daily contact with the soldiers and with the draftees. My hon. friend the member for Lake Centre (Mr. Diefenbaker) is one of the best debaters in this house and I regret profoundly that the figures he has quoted do not speak as well as he does himself.

Mr. MACKENZIE (Vancouver Centre): Not half so eloquent.

Mr. POULIOT: There are many things to consider in connection with this problem, and I will not insist on his quotation of what Mr. James Butler, the chief investigating officer of the Toronto Branch of the mobilization board, said according to the Toronto *Telegram* of March 4, 1944:

> It is amazing the number of young men who are said to be dodgers of service with the armed forces.

While quoting Mr. Butler, my hon. friend rendered a service to his colleagues in this

house by informing them that the situation is amazing in Toronto and therefore is bad not only in military district No. 5, Quebec.

I have nothing to say in the matter of complaint against what is happening in Toronto, Quebec or anywhere else, but I want to explain to my hon. friend, if he wishes to know, the reaction of the people, and if he is in contact with his own people as I am with mine he will surely agree with me.

In the first place, I am not at all amazed that the number of young men who were found unfit by military boards was so considerable, because all those who have been classified in category E by their family doctor were called again to pass medical examinations before the army board, and they had been declared unfit before by doctors who had followed them probably since their birth. Those men who were physically unfit, were called again, and they were again in a large number of cases found unfit by the military boards.

In the second place, another class of young men were called to pass their medical test before the army boards. They were those who had secured postponement until further notice, et cetera, from the mobilization board. These were not supposed to enlist.

I am not surprised at all that there is some discrepancy in the figures given by the minister, for this very good reason, that most of those officers, especially those who compose the military boards, are not under the Minister of Labour, but under the Department of National Defence, and therefore he gets his information from the Department of National Defence. I know very well that in Quebec city there is very little cooperation between the registrar and the army medical boards, and it takes a very long time to have a file transferred from one office to another.

Moreover, I do not think my hon. friend is quite as fair as he usually is when he blames the minister for figures that appear in "Canada at War," which is published by the wartime information board under the Prime Minister. We have three branches under three different heads. There is in the first place the Department of National Defence, which is supposed to supply figures to the Department of Labour; then there is the Department of Labour, and then there is the wartime information board. Since it is human to err, I am not surprised that there may be some discrepancy in these figures. I could quote to the hon. gentleman the fact I have mentioned in these last days to the Department of Labour about some young men, seventeen or nineteen in number. They were farmers' sons. They had postponements until further notice, and they went to see the employment officer, selective service. They got a permit to work in the forest and they did so. Then, while they were there, they went to the post office, filled in the regular forms, and got receipts. What happened? They were arrested by the mounted police and put on the train. This happened in Ontario. They were put on the train, had handcuffs on them from North Bay to Toronto, and they were sent to various military camps. They were acting in accordance with the law when they were discharging essential duties as farmers and as lumbermen, and it would be impossible for me to argue with my hon. friend if he takes for granted that the army has a priority over essential industry and that those in essential industries are supposed not to do any useful work in this time of war.

That is why I have asked for some detailed information about the essential occupation of men who are not in the army, in order to know what they are really doing for war purposes while working in the forest or on the farm, et cetera, et cetera; and the answers I have received are far from satisfactory.

I will tell my hon. friend more, and my files are at his disposal just as they were at the disposal of the Minister of National Defence. It is that in military district No. 5 the leading officers are not all French Canadian, but I say that in a large number of cases men from my constituency had a raw deal from the army in that district, a raw deal that they would not have had in another district. Is it fair to penalize military district No. 5 for the incompetency of some officers who are always defended by the Minister of National Defence when he is in the house?

I do not want the Minister of Labour to be made the goat of other departments over which he has no jurisdiction. If he were in charge of all draftees, as he should be, the situation would be entirely different, and the hon. member for Lake Centre would be perfectly justified in arraigning the Minister of Labour and asking him to render an account. But at the present time he knocks at the wrong door. All that he has said to-day should have been said on the estimates of the Department of National Defence. Why should the Minister of Labour be made the goat of the medical boards of the army when these men are not under his jurisdiction? Besides that, this afternoon I listened carefully to my hon. friend, and he said something about conscientious objectors and the Doukhobors. There are quite a lot of conscientious objectors; there are quite a lot of Doukhobors. But I make a great distinction between the man who does not take advantage of that law which is stupid and antiquated and should be repealed, and the others.

There is no reason why special treatment should be given to the conscientious objectors, the Mennonites and the Doukhobors. When the plebiscite was before the Canadian people the government asked for a release from all promises made. If the answer "yes" meant that the government was freed of all promises made to the Canadian people it applied as well to Doukhobors, Mennonites and conscientious objectors as to anyone else, and I am one of the very few members who has protested because of such discrimination. It is true that I have in my constituency no Douhkobors, no Mennonites and no conscientious objectors. But if I had I would take the same stand as I do now.

There is something else that my hon. friend should argue on. It is the number of all guests of military age or who have become of military age since they landed in this country from the beginning of the war on. We are told that some of them are called now for their military training. Whether that is true or not, I do not know.

Mr. MITCHELL: It is true.

Mr. POULIOT: No statistics have been given on that point; but this I know, for a time it was supposed to be bad manners to call up any young man who came from some other country and who had reached military age and was in good health. He was not supposed to be called to the army. Here again I ask for the support of the hon. member for Lake Centre. I ask him to support me not only to apply to Mennonites, Doukhobors and conscientious objectors the same treatment as to any other people, but to see to it that every young man of military age when he arrived here or, if he was not of military age, but has become of military age since the beginning of the war and who is in this country, follows the law, respects the law just the same as any other British citizen in this country. I appeal to him for that support.

I appeal to him for another thing. I appeal to him to send overseas as first reinforcements all those pasty youths who are in uniform here in Ottawa, who have never been to any theatre of war and do not intend to go to any theatre of war, who wear the uniform. who have allowances at the expense of the Canadian taxpayers, and who are supposed to be heroes just because they wear a uniform. They should be the first to go. I appeal to the hon. member for Lake Centre to support me in urging not only upon the Minister of Labour but upon the government the necessity of putting all these men in the place where they should be. Why should they wear the uniform like that? Why should they take up so much space on the sidewalks? Why should they get allowances when they do clerical work? The same with women; they wear the uniform, all right. I have been told very often by the Prime Minister that they were brave, that they were shedding their blood for their country. Let them do so. Let them be brave. Here again I ask for the support of my hon. friend.

I will tell more to my hon. friend. I see my old friend the hon. member for York-Sunbury. He must remember that when his past leader was Prime Minister I very often indulged in statistical work to condemn his government. I spent days and nights in working on figures and numbers of every district about exports and imports, et cetera, et cetera, in order to prove my thesis to condemn the Bennett government. That was in peace time. It is a kind of sport in which I would never indulge in war time, and I regret most profoundly that the hon. member for Lake Centre has been doing in war time precisely the same kind of thing that I had a right to do in peace time, because I was doing that for political purposes and the result was good. It is one of the reasons why my hon. friend was defeated in York-Sunbury, as my speeches were read throughout the land with good effect. But now that we are at war the hon. member for Lake Centre is playing a dangerous game; and when his leader, the late John Bracken—

Some hon. MEMBERS: Oh, oh!

Mr. POULIOT: —comes to the province of Quebec to make love to the Quebeckers, whether they are French Canadian, Scotch, Irish, English or Jew, he goes. And then after he is gone we hear our friend the hon. member for Lake Centre making speeches such as the one he delivered yesterday and the one he delivered to-day. It will have a very bad effect, and it is not because he mentioned what was said by Mr. James Butler of Toronto about people from Toronto that the people of the province of Quebec will forgive the insult that they have received that they are not doing their duty.

May I tell my hon. friend that I represent a constituency which has supplied the army with perhaps the largest number of men that any rural county has given? I shall not quote many names, but not long ago an officer was honoured here on the occasion of the opening of the sixth victory loan campaign; he was honoured not only here but in many other parts of this country. He was a native son of Temiscouata. Then there

were many others who were made prisoners at Hong Kong or who were killed at Dieppe, Sicily and many other places.

Mr. HANSON (York-Sunbury): He left there a long time ago, before you came around.

Mr. POULIOT: What does my hon. friend say?

Mr. HANSON (York-Sunbury): I said that he left there before you appeared on the scene.

Mr. POULIOT: Would my hon. friend be kind enough to repeat the sublime word?

Mr. HANSON (York-Sunbury): I will not bother.

Mr. POULIOT: I will tell my hon. friend that when he does for the soldiers what I have been doing in my constituency he will have the right to speak to me, and when Filip Konowal, V.C., kisses his hand, as he has kissed mine, he will have the right to speak to me. Until then he should put live charcoal on his mouth. I will not stand for any joke because the people of my constituency have done their duty. I do not care what is said about me. I attach no importance to what the hon. gentleman might say in a derisive way. I tell him that I will be a tiger to defend my own people as they deserve to be defended. I will tell not only my own people; soon I may have an opportunity to tell the people of this province of Ontario how some Tories jeer when we talk of men of whom the country is so proud, men who have done their duty, who have not been afraid to go to war, and who have better war records than that of the hon. member for York-Sunbury. What is his military record? It is the same as that of Arthur Meighen, the same as that of all the Tories who have never been to war but who preach conscription in order to encourage the big contractors who want to sell more boots, more uniforms and more food to the soldiers. Canada Packers! The hon. gentleman is this sort of imperialist. He laughs, just as the Tories laughed during the depression when I mentioned the case of the poor settlers who had to make soup from maple leaves, our national emblem. They laugh; but when John Bracken comes to the province of Quebec he does not speak as the hon. member for Lake Centre spoke yesterday and to-day. If John Bracken comes again, however, the people of the province of Quebec will remind him of what has been said yesterday and to-day. They will remember that the former leader of the opposition, a man who was honoured with the confidence of his former leader, Mr. Bennett, laughed and jeered when I mentioned the heroes of this war—

Mr. HANSON (York-Sunbury): I did not laugh at the heroes of the war; I was laughing at you. You ought to be in Verdun.

Mr. POULIOT: —because they are French Canadians coming from Quebec. That is why hon. gentlemen opposite laugh. I do not know if my hon. friend had the honour of shaking the hand of Major Paul Triquet, V.C.; but when the time came to honour a man who had one of the finest records of the last war, a man who is doing the dirty work downstairs, the only holder of the Victoria Cross under this roof now that Major Gregg is in Brockville, was it the hon. member for York-Sunbury or the hon. member for Lake Centre or the member for Temiscouata who brought that man before the committee on honours and decorations, who wired the victory loan campaign committee that Filip Konowal, V.C., deserved a place on the stand here, and who introduced him to the Prime Minister, the Minister of National Defence and Major Triquet himself? I did it because an older man, a privy councillor, a man with the authority and prestige of the hon. member for York-Sunbury, did not do it. Now let him laugh.

Mr. HANSON (York-Sunbury): You are a great man.

Mr. POULIOT: Who is a great man?

Mr. HANSON (York-Sunbury): You are.

Mr. POULIOT: Oh, no; I do not pretend to be a great man. I give others an opportunity to do the right thing, but when they do not take advantage of the opportunity I have to do it myself. We are hearing now about national unity. Hon. gentlemen opposite say, "Let us be one in this country." One with Tories like that? Never; it is impossible. It is all right; they may cluck, but when they are behind our backs they are treacherous. They say things that offend the pride of proud men, things that are most contemptible because they may affect the future of this country. As a party man I feel that I am rather independent; but there are things I cannot let pass; there are things to which any man whose heart is in the right place cannot listen without being offended. There are disgraceful scenes which one cannot witness without protesting very strongly and deeply.

Let me remind the hon. member for Lake Centre, the hon. member for York-Sunbury and other hon. gentlemen opposite who may be more serious, that at times they have voted with the

Cooperative Commonwealth Federation in order that the farmers might receive more money for their products; but when the time came to defend the farmer himself, because the farmer is an asset to the country, they always voted as one against us. Then they will tell of their love for the farmer. If they want me to recite facts I can do so. I can tell the hon. member for—well, the constituency which he will no longer represent after the next election—that every time I and other members of this house have defended the farmers and asked for a postponement of their training, hon. gentlemen opposite have always voted against us. How can they be believed, then, when they say that they are the friends of the farmers and that John Bracken is milking a cow every day? That may be true, and perhaps they themselves are all anxious to milk the cow, but their statements cannot be taken seriously.

This concludes the first part of my observations in reply to the hon. member for Lake Centre. I wanted to say these few words before the minister answered the hon. member. Let me tell the minister that when a living being has two or three heads it is a success at fairs; it is considered a monster. I do not believe any single thing can be carried into effect successfully when it is decided by three heads. There should be only one head. It will be impossible to deal with selective service successfully until the Minister of Labour is in full charge of it. That should be easy, provided no one has an inferiority complex in regard to the imperialists, those men without a country, who think that Canada is just an adjunct of the empire and that all our policies should be decided in and by London. It will not be enough to have all these matters under the direct control, supervision and direction of the Minister of Labour; it will be essential also to decide all matters of war, in the broadest possible sense, according to the Canadian spirit. I will not shock any Tory by saying that. Was it not Mr. Bennett himself who spoke of "Canada first", a policy that was never applied by him? It is a very sound policy; theoretically it is beautiful, and brings cheers from all corners when it is advocated by someone other than my humble self. That is nothing; my point is that the policy of Canada first should be carried out in fact rather than by words.

Mr. MITCHELL: I am not going to reply at length to the hon. member for Lake Centre. The points he has raised were covered fairly well in my statement to the house and also in what I might call the basic tables I placed on *Hansard* at that time. He has arrived at a figure, and I do not know how he arrived at it, of 380,000. One hon. member raised the ante up to, I believe, 700,000, and if we debate this question long enough everybody in the dominion will be missing, before we are through.

I believe in simple things. I know my hon. friend is an able criminal lawyer. I count among my friends, past and present, on both sides of the house many men who were able criminal lawyers, and I may say, in a most kindly way, that there are a good many men in this dominion to-day who are breathing God's pure air only because of the dexterity of able criminal lawyers.

Mr. HANSON (York-Sunbury): Now, why say that? That has not anything to do with this.

Mr. MITCHELL: I approach this matter in a simple way. The hon. member has raised the figure of 380,000. I speak of a man-power pool of 1,665,504. That is stated in simple language in table No. 7, tabled by myself last week, in which I have enumerated all the different divisions of these so-called missing men. This is found at page 2451 of *Hansard* for April 28, where man-power is listed according to categories. These are some of the categories:

Men applying and on postponement—Fit men, i.e., "A" category only
Unfit men, i.e., "B, C, D, E" category
Unfit for front line combatant duty, i.e., active service, and includes "B", "C", "D", "E" categories and rejections on enlistment
Not yet sent order—military training
Not yet sent order—Medical examination
Sent orders—time limit not expired
Not yet 18½ years of age but born in 1925
Not available, i.e., outside Canada, not acceptable, deceased, in gaol, reserve army, et cetera
Statutory exceptions, i.e., clergy, police, enemy aliens, et cetera
Over age
Not accounted for

I am not going to read all these totals, but I shall give the gross total for each military division, and the number not accounted for. They are as follows:

Division	Total men	Not accounted for
London	111,007	1,794
Toronto	306,386	7,887
Kingston	103,024	733
Port Arthur	24,997	324
Montreal	325,647	18,923
Quebec	136,631	6,252
Halifax	86,178	1,166
Saint John	66,393	889
Charlottetown	13,575	33
Winnipeg	108,607	1,017
Vancouver	125,479	5,063
Regina	135,483	3,235
Edmonton	122,097	1,685

That makes a total of 1,665,504 of which a total of 49,001 are unaccounted for. That is the figure arrived at after all the statistical

resources and staff of the Department of Labour have looked into it. It is the official figure for this dominion, notwithstanding a compilation made in a series of returns asked of the ministry of Labour. Those figures were arrived at with the assistance of the bureau of statistics and my own organization. I have a staff of about 450 in Ottawa, and of course I have staffs in every military district across Canada. In addition to that, we have people in the headquarters of the armed forces.

That is the position I am going to take; that is the answer. After all the resources and all the staff we have at our command have been used, that is the picture arrived at.

As I said, I believe in stating things simply. This afternoon my hon. friend read from return No. 142A. He read the first two columns, namely, military training, orders sent out, 433,453. He read the next column: reported, 220,762. He then made a subtraction and got the figure of around 212,000 odd. But he did not go on and read the whole thing. He did not read those enlisted on receipt of orders, amounting to 71,545.

Mr. DIEFENBAKER: I put it on the record.

Mr. HANSON (York-Sunbury): Certainly.

Mr. MITCHELL: And "orders returned, 4,803."

Mr. DIEFENBAKER: And I put that on the record.

Mr. MITCHELL: And, "orders not complied with, 9,274."

Mr. DIEFENBAKER: It is on the record.

Mr. MITCHELL: And industrial workers, and all those who have been postponed, amounting to 117,752. Then there are statutory exemptions which, as I pointed out, include clergy, people in gaol, and so on, amounting to 9,317.

I must insist upon this, that to the people of this country those are the figures. I am frank to admit that at this very moment there are 49,000 people we cannot account for. As I pointed out before, it may be that a great many of them have joined the United States army.

Mr. HANSON (York-Sunbury): Oh, that is a new thought.

Mr. MITCHELL: It works both ways.

Mr. HANSON (York-Sunbury): That is a new thought.

Mr. MITCHELL: No; it is not a new thought, at all. It may be new to my hon. friend, but it is not new to me.

[Mr. Mitchell.]

Mr. HANSON (York-Sunbury): It is new to you, too; you never suggested it before.

An hon. MEMBER: Yes, he did.

Mr. MITCHELL: My hon. friend went to the United States the other day, and lost his identity, too.

Mr. HANSON (York-Sunbury): No; I lost my passport, my identification card.

Mr. MITCHELL: And might I say this, that he did not find it again until I gave it to him.

Mr. JOHNSTON (Bow River): And he is not sure of it now.

Mr. MITCHELL: And my organization is just as efficient in the bigger field of selective service, in connection with call-up for military service, as it was in connection with my hon. friend's passport.

I am not going to say anything further. I have tried to keep to the point, without trying to build up a straw man, only to knock it down again.

Mr. CHAMBERS: Mr. Chairman, in view of the fact that the speeches this evening have wandered from the actual subject under discussion, may I crave the indulgence of the committee to start at a point even more remote. In the army time is either hanging very heavily on one's hands, or it is a matter of great immediacy. With that excuse I will, if I may, wander slightly.

It is a long time since I have had an opportunity of saying a few words in this house, and I can do so now only from the point of view of the troops overseas to whom it is to be supposed that these drafts, when they are finally obtained, will be sent. The attitude of a great many of the men overseas toward the question of the drafting and training of men in Canada for the defence of Canada and for fighting overseas is that they are not really greatly concerned with it. The opinion of the men is that fundamentally one either wants to fight or one does not. That may not be a popular thing to say, but that is the fundamental fact which I think all of us on both sides of the house might as well bear in mind.

But there can be no question either in their minds or in ours as to the ultimate result of the policy, however it may be applied. If there are not sufficient men who want to fight, at least those who do must not be let down if it is merely a question of sheer man-power. I must confess that it is a bit disturbing, knowing how well and how magnificently volunteers from the province of Quebec have fought in this war, having been with them, to find that a wrong impression should be created by

the passage of a resolution such as was passed recently in the legislature of that province. It does a great deal of harm because it is not explained or understood. It does not lead to that complete understanding and sympathy between our fighting men over there which is what we all seek to achieve. However, it is not a thing I can do anything about; it is not what I rose to talk about.

What I wish to speak about, if I may, is the attitude of the troops, their thoughts, their ideas, their hopes as to what eventually lies before them. I cannot in any sense claim to represent them, but I can at least say with complete truth that I am one of them. I have had some small opportunity of knowing what is going on in their minds. It is a long, far cry from Dunkirk to May 1, 1944. Throughout that time we have managed by means of a volunteer system to build up overseas a large combined air, naval and land force from Canada, a portion of which has been tested in battle and not found wanting, and the remainder of which is waiting to go over into that country to which our fathers went in 1914-18.

Some remarks have recently been made in this house about the part played during this time by the people at home. It is not unusual to find men returning from overeas who become a little bitter on the subject of the attitude of civilians at home. That is understandable, but I just want to say this for myself alone. I have been home only a few weeks, but I have had some opportunity of meeting people in various parts of Canada. I want to pay a tribute to the working men and women of Canada, not only for what they have produced but for the way they have unceasingly and uncomplainingly carried on; and to management for the results that they have produced with the labour at hand. But especially I want to pay a tribute to the citizens of Canada for the way in which they have responded to war loans, Red Cross drives and the many other demands made upon their loyalties and emotions. They have responded month after month and have given vast sums of money to back up in a mute way, the only way that so many of them can, the war effort of this country. This is not a government war; this is not a party war; it is a citizens' war. I am glad that as a soldier I can come home and find my fellow-citizens doing a first-class job on their front. It will be something to tell my comrades overseas.

Now something about them. During the long wait we perhaps came to be termed the Duke of York's Own more than anything else. Hon. members will remember that the Duke of York had 10,000 men; he marched them up the hill and he marched them down again. During that period of the defence of Britain, then in the Mediterranean the fighting in Sicily and Italy and now when they are on the edge of prospects, the hardest burden our men have had to bear, has not been the food conditions; it has not been the living conditions; it has not been even the liquor conditions; it has been something that their relatives here at home are sharing—homesickness. The hardest thing our troops overseas have to bear is the long sustained absence from their home country. But the fact that in spite of that they have been able to retain their sense of responsibility and discipline is, I think, no mean tribute to them.

Somebody asked me the other day what the boys think about the war itself and about the time that is to come after the war. We are encouraged in knowing that all members of this house are united in the ceaseless endeavour which I have witnessed since I have been here, an endeavour which is supported by a tremendous amount of good will through the country, an endeavour which is led by the government, to provide rehabilitation measures which will allow our boys to take their normal places in Canadian life when they come home. They are bucked up by knowing that that is being done, but I would suggest to the government that some direct measure be taken to provide our troops overseas with knowledge of what has been prepared for them and of what as yet is not completed but is under way. Most of us over there are very ignorant on the subject, and it would add to our understanding of what goes on, and also help our morale, if we had a clearer knowledge of what is being prepared.

We know that no matter what measures may be adopted, what laws may be passed in this chamber, what training may be entered into, what money may be provided, unless the general level of employment in this country is high at the time, those measures will inevitably fail of their own weight to provide employment. We know that the basically sound administration by controls and by government direction has ensured the probability of a satisfactory employment situation at the end of the war, and we want to make sure that they continue in so far as it is necessary.

We also feel very strongly that, because our country has made a measurable sacrifice in this war—and it is not by any means over—it would nevertheless be well now to consider the fact that we should also, perhaps in a minor way but at least in a minor way, make our small contribution in after-war international meetings to prevent a war in the future. I think that is fundamental.

Then, too, at the back of the heads of most of us, I think, is the question of a home. Thousands of our men have married overseas; thousands of others are going to, before the war is over. Many of us have been in the army for four and five years; some of us will soon have been in the service for six years; and while I do not know how long the Japanese affair may continue, it is conceivable that many may have been in the services for seven years before they settle down again in this country. In the army there is no home, and home remains still the anchor of the Canadian overseas. Our idea of home is the mental anchor that sustains us. We look forward to having homes when we come back. We want to make sure that the government, the parliament and the people of this country know that.

Therefore it simply sums up then, does it not, to this, that basically we want to take our share in the provision of a general security. We do not ask, I think, anything beyond the opportunity to provide that for ourselves. After all, we are volunteers in a great adventure. We want to take our part in the provision of it for all of us. We want to make sure that we have homes to come back to.

I have personally no great optimism as to the outcome of this war. I do not see abroad in the world any great spirit of tolerance and good will among nations. I have seen in this war, and I know I shall see again, the tremendous value of good will between man and man, and this is a great deal. I have seen the British infantry from Northumbria moving up the line, small, hardy men, as their forefathers were, but great men; I have seen the 51st Highlanders—Scots. I have been alongside the United States troops in this war, and I want to say to you, Mr. Chairman, and the committee and this country, that there are no finer fighting men in the field than the Americans. Alongside the French and the others, from this there comes a great comradeship. I hope that this will be felt, too, between the governments, between the peoples who are represented by these governments, so that there may come out of this, if nothing else, a greater patience, tolerance and understanding among ourselves as peoples and among each other, even here.

Mr. JOHNSTON (Bow River): I want to bring the committee back for a few minutes to the subject of national selective service and the relationship of employee and employer. I am going to cite a case to the minister, not as a particular instance but to serve as an example for him to give an opinion regarding its solution as applicable to conditions which exist throughout the country. I think it is well understood that in the case of an employee—I am going to refer to the miners because I am familiar with mining conditions in the Drumheller fields—a man who has quit his job without giving the required seven days' notice is liable under the regulations to a penalty. He must comply with that requirement, and if he does not do so he can be prosecuted.

Now here is a situation where the mine management itself did not comply with the government regulation in this particular respect. One of the mines in the Drumheller field closed down without giving the men the required seven days' notice. They were somewhat deceitful in the action they took. They knew they were going to close down—they notified the men that they would give them at least two weeks' work before the shut-down came about; and further they informed the men that they could not qualify for unemployment insurance until they had been unemployed for nine days. As a result, the men in this mine did not apply for unemployment insurance, and when they went to make application they found that they had not lived up to the required regulations. These men complain that they have been wrongly treated, and that they should receive at least the seven days' pay which the mining company owes them. It is suggested that the only recognition these men can get would be by starting a civil action. That, it seems to me, is not quite the proper thing. I hope that my information is wrong and that the minister will correct me when he answers this question. I seems to me that there should be some regulation whereunder the government will prosecute mine owners or mine management and force them to comply with the law, just as they compel employees to comply with the regulations, because some mining companies are deliberately closing down and debarring their men from their rights. I think the minister knows the case to which I refer, because I have communicated it to him by letter, but other cases have been drawn to my attention, and in settling this one we might be able to settle the others. Would the minister tell us what can be done in a case of this kind with the mining companies?

Mr. MITCHELL: On the question of unemployment insurance, of course, the employees have the right to appear before the referees in the district. On the other question, I should like to point out to my hon. friend that it is not a one-way street; if the workman has to give seven days' notice the employer has to do likewise. You cannot have one law for one group of individuals and a

different law, dealing with the same subject, for another group; that kind of thing leads to revolution. While I am not intimately acquainted with the case mentioned by my hon. friend, if he will turn the whole matter over to me I shall have our people investigate it and see if we can do anything for these men.

Mr. JOHNSTON (Bow River): I did write the minister, and I have his acknowledgment signed by himself. Since I wrote about this case, two others have been drawn to my attention. One was up in the Edmonton district, where a mine deliberately closed down without the men receiving any notice at all, and I am informed by some of the employees who have written to me that they are advised that their only recourse is to take civil action. That should not be so, because presumably the mining companies are subject to some regulation in these matters.

Mr. MITCHELL: We have an enforcement branch which deals all the time with cases like that. All that men in that position have to do is to write to us, and that sets the thing in motion. I shall be glad to get the details, and if the cases are well founded, the necessary action will be taken.

Mr. NOSEWORTHY: Just as a matter of information, I should like the minister to explain what appears to be a duplication in table No. 7 to which he referred earlier. In item 2 there is listed a total of 138,497 men as unfit in categories "B", "C", "D" and "E". In the next item, unfit for front line, there are included "B", "C", "D" and "E" categories. Does that imply that the 138,000 men in the second item are also included in the third?

Mr. MITCHELL: Some men are classified as 'B", but in the final examination they turn out to be "A". There are two sets of cases; one is positive and the other doubtful.

Mr. NOSEWORTHY: Are those "B", "C", "D" and "E", included in the third item, men who have been reexamined and are not included in the first, found to be of a lower category later? Just what is the point of giving two sets of figures for the same category?

Mr. MITCHELL: One is on postponement, and the other is not.

Mr. ROSS (St. Paul's): I was very much interested in listening to the excellent speech of the hon. member for Nanaimo (Mr. Chambers), and later on I shall have something to say with reference to some of his remarks. We have had a lot of talk about call-ups, but when we hear the Minister of National Defence speak about our volunteer army one wonders why we have the call-ups. We are all proud of our volunteer army and what they have done, but we no longer have a volunteer army. What we have now is a call-up for the purposes of forced volunteering. That is really what it amounts to. The minister the other day said that he had never heard anyone either in the house or elsewhere suggest that the volunteer army was not a desirable thing. I agree with him; I think it is a very desirable thing. But this is a modern war, as the hon. member for Nanaimo says, and there are no heroics of the old kind that appeal to the people to-day. It is a business, and it is not practical to have volunteers altogether.

The minister said, "I have repeatedly indicated my preference for a volunteer army, and I think most Canadians will agree with me." He says he has "never heard anyone suggest that the volunteer army is not a desirable thing", and that is perfectly true. On the other hand there are a great many people in this country who think the voluntary system as it is to-day is not fair. There are many people, the legion, members of the opposition, members of the Liberal party, and many others, who have asked for the full operation of the N.R.M.A. for service anywhere in the world. The minister says he thinks most people in Canada agree with him about the volunteer army. That is beside the point. What about the voices of the people in the plebiscite? That certainly called for something different from a volunteer army Those voices called for conscription anywhere in the world, there is no doubt about that, and we have not got it yet.

Just what is wrong with conscription? What is wrong with that method of getting men? The way it is looked on to-day and talked about by ministers suggests a slur on many of those fellows who are drafted, and it is not fair to them. Too much slur is cast on them. Whether you like it or not, to-day you have coercion for volunteering, and why should that slur be cast on those fellows? What is wrong with conscription in the United States or in Great Britain? There is nothing much wrong with it.

Mr. GIBSON: What is wrong with the volunteers in Canada?

Mr. ROSS (St. Paul's): Members of the army in Canada in the last year or so had to go around the place wasting their time in making speeches urging on draftees the necessity for volunteering because they could not be taken overseas otherwise. That principle is wrong. Why do they talk so much about the volunteer army and not about having conscription? As I see it, from now on there will not be a volunteer army, because we know

very well that we cannot get men without calling them up first and forcing them to enlist, and to my mind it is simply a whim of this government, who are so spineless that they will not put into force the N.R.M.A. to the full extent.

The hon. member for Temiscouata a few minutes ago talked about the unity of Canada, but he said, unity with the Tory party, never. As far as I see it, this whole question of the N.R.M.A. is not a question of the unity of Canada, if the provisions of that act are to be enforced; it is a question of the unity of the Liberal party in this country. This brings me to another point which was suggested to my mind by the hon. member for Nanaimo. We have in Canada to-day some 60,000 men under the N.R.M.A., and of these in the active army, not liable without further government action to service overseas, 34,950. Some of our men in the active army overseas have been there for a long time, men like the hon. member who spoke a little while ago, and yet we have here 34,950 in Canada in the active army who cannot be sent overseas at the present time. The men overseas have been there for four or five years. Could these men here not be sent over to replace those fellows who have been there for four or five years, so as to give them a few weeks' furlough in Canada? Could we not have some proper system of leave whereby those fellows could have a chance to get back?

As the hon. member for Nanaimo said, one of the worst things facing the troops overseas is homesickness. The United States have made an arrangement for leave for their men coming from the front from different quarters. They have been only three and a half years in the war and we have been in from the beginning. It does not seem fair to have these men over here and the others overseas for so long.

Mr. MITCHELL: If I might rise to a point of order, I have been on deck for nearly three days now and we have not got the first item through. I have no objection to sitting here until the resurrection, but I think most of the hon. members have. I have no objection to answering questions that affect my department particularly, but I object to wandering all over the lot. The hon. member for St. Paul's is wandering off into the Department of National Defence. I do wish that the hon. member would stay within my department so that we may at least get some of the other departments that have to do with the war appropriation bill before the committee in the not very distant future.

[Mr. Douglas G. Ross.]

The CHAIRMAN: The point of order is well taken in connection with the questions that have been brought up by the hon. member for St. Paul's. I gave readily—I was going to say joyfully—a certain amount of latitude to the hon. member for Greenwood and the hon. member for Nanaimo because it was the first time they had spoken in the committee for years. I believe the time has now arrived when we should get down to the item that is before the committee and stay with it, if possible. I think we should undertake to avoid the multiple repetitions that we have had since the beginning of the discussion. I sincerely appeal to the hon. members of the committee.

Mr. ROSS (St. Paul's): I bow to your ruling. I would not have spoken in this way were it not for the fact that this matter is uppermost in my mind, and in the second place I listened to the hon. member for Temiscouata talking about everything in the world outside of this particular item. I know you, Mr. Chairman, are fair in these things, but I think if you had held the hon. member for Temiscouata a little closer to the subject it might have been a great deal better for everybody.

My speech has been interrupted by a point of order. I have only a few more words to say. As far as this is concerned, I like to see fairness in these things, and if the hon. member for Temiscouata is going to occupy the time of this committee by wandering all over the place, as he did to-night, then I think he should be called to order immediately.

The only other thing I have to say is that in all fairness to the men overseas—

Some hon. MEMBERS: Order.

Mr. ROSS (St. Paul's): I have said I have a few remarks to make—

The CHAIRMAN: The hon. member should be allowed to finish his short statement.

Mr. ROSS (St. Paul's): I say in all justice to these men overseas—and I mean it—we should do something about it, if possible. Instead of having these fellows who are sitting back here in the forces in Canada doing nothing, it seems to me that the government might put into full force the N.R.M.A. and send them overseas and let the men overseas have a chance to come back.

Mr. MARSHALL: I have one or two questions I should like to ask before the item carries. First of all I do not think we have had a break-down of the sum of something over $11,000,000 submitted to us. I find from previous reports that these figures can be

broken into (a) the various sections of the department such as the office of the director, headquarters in Ottawa, administration; (b) mobilization division; (c) the man-power records, and (d) the amount set aside to be spent by the unemployment insurance commission for work performed on behalf of national selective service. I should like the minister to explain the difference between the figure as set out on page 396 of *Hansard* of February 11, which shows that the appropriation for the year 1943-44 was $8,680,225, whereas this amount is $9,845,948. Would the minister be good enough to explain that? Then I have one or two other simple ones that I should like to ask.

Mr. MITCHELL: I will give my hon. friend the breakdown of the $11,000,000 odd. It is as follows: Labour supply, $811,879. There is a decrease of $4,496 there. Mobilization, $3,250,000. There is an increase of $157,000 there. Unemployment insurance commission $6,275,150. There is an increase of $900,000 there. Man-power statistics, $223,200. There is an increase of $55,200 there. National registration administration, $442,200. There is an increase of $48,776.63 there.

Mr. MARSHALL: The minister has not explained the reason for the difference between the figure set out on page 413 of *Hansard* and the figure of $9,845,948.37 on the sheet which has been supplied to us.

Mr. MITCHELL: There is a general increase in staff all the way through. That is the answer.

Mr. MARSHALL: In the morning edition of the Ottawa *Citizen* of a few days ago there appeared certain advertisements, presumably from the national selective department. I should like to draw this one particularly to the attention of the minister. It reads as follows:

> Special representative wanted. A leading life insurance company requires special representative in Cornwall and district. He must be a man of character and ambition, a real worker, age thirty to fifty. The position offers an attractive life career, with opportunities for advancement. Other benefits include sickness and pension provisions. Previous experience not necessary. The right applicant will be given a special training course to fit him for his responsibilities. Apply in writing, selective service, F.M. 374.

What are the circumstances surrounding such advertising, and why does national selective service go to the expense of advertising for a leading life insurance company that could well afford to pay for its own advertising?

Mr. MITCHELL: Of course, one cannot advertise in this country except for very few categories, namely, household help and things like that. What is done is, we route all these people through selective service so that we know where everybody is and have the measure of control that we have. That particular company would pay for the advertising. The individual would be routed through our office, and then of course we would have some say whether the individual could go into life insurance or whether he should not be in some other priority.

Mr. MARSHALL: Would it be possible for the minister to give me the figures with which I can compare table No. 1 with the figures for Great Britain, South Africa, Australia and New Zealand? Table No. 1 is a rather complicated one, and I should like to break it down if I may into the figures as I see them. This is the way the figures appear in the table:

Population class	Aug. 31, 1939	Dec. 1, 1943
	Per cent	Per cent
Armed forces	0·1	8·7
Industry	29·7	38·0
Agriculture	24·5	19·2
Students	7·6	5·4
Unemployed and all others	38·1	28·7

I should like particularly to direct the attention of hon. members to the tremendous contribution being made by agriculture. In spite of the fact that the percentage of men and women engaged in agriculture has dropped from 24·5 to 19·2 we are producing more foodstuffs and agricultural supplies that ever before. The minister stated, I think on two occasions during the present debate, that Canada's figures are exceeded only by those of Great Britain. Would the minister place on *Hansard,* on some future occasion if he so desires, the figures for the other divisions of the British Empire, Great Britain, South Africa, Australia and New Zealand? Would it be possible to get those figures?

Mr. MITCHELL: I know the British figures; but they are secret and confidential; they are not published, I suppose for very good reasons best known to themselves. I cannot speak for the United States; I do not know whether or not they publish their figures.

Mr. MARSHALL: I am not interested in the United States; I am talking about the other parts of the British empire. Could we have those figures?

Mr. MITCHELL: I could not give the British figures, but I can try to get the figures for Australia, New Zealand and South Africa.

Mr. CASTLEDEN: Under national selective service in the west, if a man is called up to take his medical and makes application for

exemption on the ground that he is a conscientious objector, his case is left entirely to an alternative service officer appointed under order in council. In most cases single men who make application on these grounds are asked, I think quite justly, to take service in some other effective work in Canada. If they are put into agriculture they are asked to take employment under contract, under which they are paid the going wage, which I believe is $40 a month. One of these men is allowed $25 for his own expenses and is asked to pay the balance of $15 to the Red Cross, which I think is quite justifiable. Recently, however, my attention was drawn to the case of a man married in 1937, with a wife and two children, living on a quarter-section of land. He did not make application for exemption on the ground that he was essential to agriculture; he claimed exemption because he was of the Doukhobor faith, and acting in good faith he made application on these grounds. His contract calls for him to employ himself at the rate of $40 a month. Of this total he is allowed $25 for himself, and apparently for his wife and two children, and he is required to pay the balance of $15 to the Red Cross. This man claims he is unable to carry out these instructions, and he wrote asking if this was considered fair treatment. I should like to know whether there is any method by which this man could obtain redress from the alternative service officer with respect to his dependents.

Mr. MITCHELL: I think the channel is there. My hon. friend has stated the facts, but this man can appeal to the associate director, who is in charge of that phase of my organization.

Mr. CASTLEDEN: The alternative service officer?

Mr. MITCHELL: Yes, the director in Ottawa.

Mr. CASTLEDEN: He can apply to the director in Ottawa?

Mr. MITCHELL: Yes.

Mr. CASTLEDEN: Who is that director in Ottawa?

Mr. MITCHELL: Mr. Westman. If my hon. friend will send the application to me I will see that it gets to the right man.

Mr. CASTLEDEN: I wrote the minister about this case. It seemed to me that in spite of the minister's letter to the effect that the alternative service officer has a staff to investigate these cases, in this instance something was done which had not been properly investigated, and I was wondering whether there were many other similar cases.

[Mr. Castleden.]

Mr. MITCHELL: No.

Mr. WHITE: I should like the minister to deal with the point I raised yesterday in regard to the young men who have been given postponements because they are working on farms, and who are being called to the district depots for reexamination. Yesterday I asked the minister if there was to be any change in the procedure, and I wonder if he could give an answer to-night.

Mr. MITCHELL: We have to know where people are. We may give a man a postponement because he is essential to agriculture, but if we are not careful he may pop up in some industry in Toronto or Montreal or Quebec or some other city. We have to keep our fingers on everyone, at least to know where they are; so that I cannot give my hon. friend the assurance that there will be any change in that policy in the immediate future.

Mr. WHITE: Am I to take it from the remarks of the minister that any young man now working on a farm who has a postponement will be granted a further extension after May 1 or June 1, when his postponement expires?

Mr. MITCHELL: Absolutely.

Mr. FAIR: Does it make any difference whether that man continues to work for someone else or if he starts out on his own?

Mr. MITCHELL: As long as he is engaged in agriculture; that is the essential point.

Mr. POULIOT: I was in the gallery when the hon. member for St. Paul's spoke. I wondered if my memory was good, so I looked in the "Parliamentary Guide" and confirmed my recollection that he had graduated from the military college at Kingston. He is strong for conscription, although he never volunteered during the last war and was then of age. When I see him looking as imposing as usual I think he must be a major-general, but I am surprised that a man educated at the military college at Kingston should be so strong for conscription though he did not himself volunteer during the last war; and I make that statement as a civilian.

The CHAIRMAN: Order. When the hon. member for St. Paul's was speaking the Minister of Labour raised a point of order, which I upheld, because at the time the hon. gentleman was not speaking to the item under consideration.

Mr. POULIOT: I agree with your ruling, Mr. Chairman, and I shall speak of a more interesting matter. The question now before the committee is undoubtedly one of the most important we shall have to discuss during this war, namely, the question of selective service. I regret very much that some facts have not been recorded by the registrar's office, or by national defence headquarters in each military district. For instance, I asked the following two questions, which may be condensed into one:

1. Since 1940, how many requests for leave or postponement of training have been submitted by the army to the mobilization board of each of the military districts other than the military district of Quebec for soldiers or conscripts who were farmers, farmers' sons or farm helpers?

2. In how many of such cases did the said boards (a) recommend leave; (b) refuse to recommend leave?

Here are the answers that were given to-day:

1 and 2. The army does not maintain records on the number of applications for leave referred to mobilization boards nor on the number of those recommended or not recommended by such boards. To ascertain this information it would be necessary to examine the personal file in the district records office of every soldier.

Application for postponement of training is made direct to mobilization boards by the individual concerned before his enrolment into the army.

The matter is of great importance, and I know that since the thing has not been done before it would take some time now to gather the information. But there was no excuse for the registrar, and there was no excuse for the headquarters in each district not gathering that information, because each case was submitted by the army to the mobilization board. It is within my knowledge that in very deserving applications for leave the rulings of the mobilization board supported the contention of the army. Very seldom did the men get justice before mobilization boards, when their cases were submitted to those boards by the army.

I see some hon. members opposite who have spoken loudly of their love for the farmer. There is a small number of members of parliament who have done something for the farmer by succeeding in having national war service regulations and mobilization regulations amended. I, for one, have done my share in that work, because I know very well the usefulness of the farmer on the farm. It is a great mistake to tell farmers that their first duty is not that of cultivating the farm, but that it is to enlist in the armed forces. Where would the army be if it had no food? Some country-wide reforms were gained for the farmer by the small group of members who were fighting for him last year, and whose claims are on record in the *Votes and Proceedings* of this chamber. They have got something for the farmer. They have tried to secure recognition of the importance of his work on the farm.

For instance, the former chairman of the Quebec mobilization board had the feeling that all those of military age who did not join the army were slackers, and unworthy of British citizenship. He once wrote me:

You must understand that we cannot postpone the farmers' service indefinitely.

In his view, a postponement was a favour, not a right in virtue of the law. He and his brother colleagues of the board did not understand either the letter or the spirit of the regulations, and we have had to put up a struggle for the farmers; for everyone will realize the loss that must result when the farmers are taken away from their farms. It is disastrous.

I had the unpleasant duty of reporting him to his minister, who entirely agreed with me, to the effect that the farmers had the same rights as others occupied in seasonal and essential industries, and were entitled to postponement. The staff of the board had to be changed because of their refractory turn of mind.

Now, when we hear some people saying that the farmers are exempted from service, it is untrue because there are a good many farmers who went to their training in good faith but they were kept in the army by men who are not expert in agriculture. There are many farms that cannot produce as much now as they did before, and that is exactly the reason.

The first reform was to secure postponements of six months instead of four for all those engaged in an essential industry. The second reform was that instructions were given to all the national war services boards in accordance with the statement made in the house on November 11, 1941, by the then minister now Mr. Justice Thorson. These were his words:

Mr. Thorson: My answer will be in reply to the question asked by the hon. member for Temiscouata (Mr. Pouliot) and the hon. member for Hastings-Peterborough (Mr. White). No postponement can be for longer than six months, but when that six months period is over, another postponement may be granted. The jurisdiction of the board is not confined to the second postponement; the board may grant one or more extensions of the original postponement, but each postponement must be for a period of not longer than six months. In each case the board looks at the application

from the point of view of the national interest and deals with each case upon its merits. It has complete jurisdiction in granting or refusing an application for a postponement order.

The ex-chairman was a judge, and he had had the distinction of having four of his judgments reversed at one term of the court of appeal. Under his chairmanship the jurisprudence of the board was that all farmers who worked as lumberjacks during the winter were not bona fide farmers. He always refused a postponement in such cases.

I succeeded at last in having him remove that from the picture, but he was responsible to a large extent for the otherwise inexcusable farm and labour shortage in the Quebec district. The representative of the farmers was a former wood-scaler of the Power Lumber company of St. Pacôme. Both the ex-chairman and he were the choice of the Minister of National Defence for Air. Originally the third member of the board was a former mayor of Quebec city, and the father-in-law of the D.M.O. of military district No. 5. He died and was replaced by a labour leader who was so silly that I had only to mention in the house a long distance telephone conversation I had with him to have him replaced by another man whom I do not know, and whom I have not yet called over the telephone.

It was quite a feat to get rid of those people whom Ottawa seemed to consider more indispensable on the board than the farmers on the land, the lumberjacks in the forests, the firemen and the brakemen on the trains, and so on. And there have been advertisements appearing in the press with pictures of the Minister of Labour. I had so much trouble with the board in Quebec city that I had to write them to the effect that if they did not consider seriously the cases of some farmers' sons who were working in the forests during the lumbering season, I would have to write to the papers and ask them if they were really authorized to publish the minister's picture, or if it was just an April fool joke. The picture of the minister was put alongside the statement that those who were working in the forests would be considered as working in an essential industry. It is not surprising that these things happen when we consider the point of view of the imperialists, those who are blind and who do not realize the importance of having men in all the various fields of endeavour.

I complained about the office of the Quebec registrar. There have been some changes, but the clean-up has not gone far enough. I commend the minister for having put out one of the assistant registrars. I complained about him three years ago and it has taken that long to get rid of him. What did he do while he was there? What did the incompetent judge do while he was chairman? Many applicants suffered injustices and many farmers have been placed in the position of producing much less because of the stupidity of these men. I want the minister to understand that I have no grievance against anyone. When I complain about some one on these boards I do so because I know there is inefficiency. I try to help him by giving him information which he could not secure otherwise. Many people are afraid to tell the truth because they fear they will be penalized. They fear that rulings will be given by these men if they denounce them to the minister. It is not a question of carrying tales, to use the popular expression; it is a question of informing the minister of what is going on.

The proper way to secure the right information as to how the law is being administered is not to write to the guilty parties for a report. I know this man is incompetent because I know this is not the only occasion mistakes have been made. What happened? Most of the time he was asked to report on my complaint and it is not surprising that his answer was his own justification. Things got so bad that two years ago I had to assign as a witness the very man who had been fired by the minister after three years of complaints. An investigation was carried on in court before a district magistrate. I asked the selective service to secure a copy of the reporter's notes, but I do not think this has been done. I gave my services free and I did not feel like paying to have the stenographer's notes transcribed for the government. I expected the department to do that. I do not know if it has been done yet, but many months after the case was over, the notes had not been transcribed by the court stenographer. This inquiry showed the incompetency and inefficiency of that man who had the power of life or death on draftees.

I read what was said yesterday and I have listened to what has been said to-day about military district No. 5. A clean-up is needed in the army headquarters and national selective service in Quebec city. I should like to say a word of praise for the representative of selective service on the mobilization board in that city. The hon. member for Quebec West and South (Mr. Parent) says that I am right in complaining about the army in military district No. 5. French Canadians are getting a raw deal from French Canadian officers who have never been at war. I do not say that it is only French Canadians who are treating my compatriots in the province of Quebec in that way because at headquarters in Quebec city there are people from

all over the country. But French Canadians are not getting a fair deal from the medical corps of the army. I think I have given enough instances of the trouble they have.

Mr. McNEVIN: Mr. Chairman, you ruled that this debate should be confined to the Department of Labour. We are now getting into a discussion of army matters.

Mr. POULIOT: My answer is quite obvious. The minister gave figures which had been provided by the army. All day yesterday this was the subject matter of the debate, which resumed at five-fifteen this afternoon until six o'clock, and then from eight o'clock until the present time. I complained that the minister was not the boss of his own department, that he had to rely upon figures over which he had no control. I am ready to help him to the limit, although I do not know what the limit is. Even though we are at war we should have reforms at and from general headquarters.

As my hon. friend knows, these farmers are called up for medical examinations. They receive these notices from the registrar who is under the minister. Then the mobilization boards which are under the Minister of Labour decide upon matters submitted to them by the Department of National Defence. How is it possible to discuss the operation of this law under the Department of Labour without mentioning what happens in the Department of National Defence? It is all the one and the same thing. It is not a question of being prejudiced; it is a question of seeing that Canadian people do their best in producing war materials on the farm, in industry and everywhere else. There has been a complete ignoring of the importance of the work being carried on by men in essential industry.

At this point I should like to ask the minister a most important question. What is the arrangement between his department and Canadian National Railways and the Canadian Pacific Railway company regarding the calling up of men to the camps? There is one man in the C.N.R. and another in the C.P.R. who have the power of life and death over railway men. These men are located in Montreal and they decide whether a man is essential in his own district. To my own knowledge men have been recommended by their own divisional superintendents and this recommendation has been reversed by these men who are in Montreal. It is Mr. Edge in the C.N.R., and there is another man in the C.P.R. If a man does not have a recommendation from either of these gentlemen he goes automatically to the camp, no matter how essential he may be as a railway man.

There are essential positions in the railway business. Is an old man who is past the superannuation age, who can be seen at the same hour every day at the news-stand in the Chateau Laurier, to decide whether a man is essential? That old man has outlived his usefulness and yet he has the power of life and death over other railway men. As I say, he is located in Ottawa and the other two are located in Montreal. These men have the power of sending to the training camps men who have had long experience in railway work.

Mr. HANSON (Skeena): My hon. friend is stating that these men must have a recommendation from either the Canadian Pacific Railway company or the Canadian National Railways that they are essential. I thought, Mr. Chairman, we were discussing the labour question and not men for the army. No doubt the minister has had difficulties in choosing these men, but I am pretty sure that he would not have chosen them unless he had had recommendations from the essential war industries, like the C.P.R. and the C.N.R.; and if he receives the recommendation that somebody should be taken on, even though he is over-age, it is reasonable to assume that under present conditions the Minister of Labour and the selective service board will accept the recommendations of those who say that certain men are essential to their operations. I think we are going beyond our scope when we try to discuss military matters under this item.

Mr. POULIOT: In reply to the hon. member for Skeena, who will not be a member after the next election—

Mr. HANSON (Skeena): Thank you. Mr. Chairman, I have just as good a chance, I think, if I decide to stand, as the hon. member for Temiscouata.

Mr. POULIOT: We can decide that between ourselves.

Mr. CHAIRMAN: Order.

Mr. POULIOT: Here we are discussing, precisely, national selective service, and I have been speaking in the first place of a man who was an appointee of the Department of Labour. I wonder why I should not have the right to discuss the case of a man who was not appointed by the C.P.R. or the C.N.R., but by the Minister of Labour himself. That is the first point. In the second place I mentioned the name of one of the other men merely at the request of one of my colleagues, and I have said nothing uncivil in that respect. I complain of the fact. I do not complain of these two men; I complain of the fact that they are given the power of life and death over railway men who are essential to the war effort but who cannot resume their activities

as railway men because Mr. So-and-so does not want to recommend them on account of an arrangement which has been made between the Department of Labour and the railway. If this condition does not affect the hon. member in his constituency of Skeena, because he has not a large number of railway men in his riding, it may affect the transportation of his constituents or of their goods. We need good men, men of experience, to carry on their work as railway men, and it is because I realize the great importance of the railway business that I am asking some questions of the minister. I would tell the hon. member for Skeena that I was in the house a long time before he arrived, and I have been—

Mr. HANSON (Skeena): I have been here for fifteen years; and as far as the constituency of Skeena is concerned, just about one-third of the population is either dependent in the matter of transportation on the railway or on coastal shipping.

The CHAIRMAN: If I may be allowed to refer to the point of order raised by the hon. member for Victoria, Ontario, surely after three full days of discussion we should come down at some time to work on the definite item before the committee. I appeal to all hon. members to realize that, with all the speeches which we have had for the past two days and more, this item is not yet passed. The Chair must take some responsibility and insist that speeches must be relevant to the matter before the committee. Surely, after nearly three days' discussion, so much repetition is unnecessary. Much of the discussion is out of order.

Mr. POULIOT: I regret that I have to repeat things, but it is at the request of the hon. member for Skeena. This matter has not been brought before the house during this session, and it is the time to ask for some information from the Minister of Labour about the arrangement that has been made between his department and the railway companies. I have been told that there is an arrangement whereby those who have had one month's training go automatically to the army as soon as their leave has expired and that further postponement is granted to those who have never done any training. I would ask the minister to be kind enough to give us full information about the arrangement which has been made between his department and the railway companies regarding the status of men of military age who have railway experience.

Mr. MITCHELL: Mr. Chairman, it is simple. It is an arrangement which exists in every big corporation in this country, and it is that the personnel managers of these particular railroads—I think Mr. Edge is one of them and Mr. Brydon-Jack is the other—are responsible for any recommendations made to the mobilization board with respect to the postponement of men engaged in these companies. That is the general procedure. A man applies for postponement; it is either supported or not supported by the employer. These two gentlemen happen to be the chiefs of personnel of these two great railroads. In some other organization it would be someone else. It is just as simple as that. There is no secret about it. They speak for the company.

Mr. POULIOT: Mr. Chairman—

The CHAIRMAN: Order.

Mr. POULIOT: If my hon. friend permits me a minute, I will ask the minister if he will be kind enough to table the correspondence between the railways and the Department of Labour regarding this matter.

Mr. MITCHELL: I shall be glad to do that. Anything for peace and quietness.

Mr. FAIR: May I ask the minister whether the national resources mobilization board is supreme in each military district, or whether there is any authority or board above it to which an appeal may be directed?

Mr. MITCHELL: The board is supreme. There is no appeal.

Mr. DUPUIS (Translation): Mr. Chairman, I feel it is my duty to say a few words on these estimates, although I am anxious that the debate be concluded with all possible speed. But first, I may be allowed to heartily congratulate the hon. member for Nanaimo (Mr. Chambers) for the splendid speech he delivered to-night. His stand proves that his patriotism is not of the parlour variety but of the staunchest kind; it is the brand of patriotism professed by those who love their country as we do, and who are willing to risk their lives for the defence of the endangered fatherland. In my own name and on behalf of all those who feel as I do, I wish to congratulate him from the bottom of my heart, on his stand and his sentiments.

We have entered this war because we really thought that the country was in danger. The great majority of the hon. members of this house, in 1939, supported the government when they declared war on Germany. If the elementary principles of philosophy I learned in my student days have any value and one of which is that common sense is a test of truth, I believe that the great majority of the members of this house, having sup-

ported the action taken by the government when they declared war, we must have been right. We realized that our country was in danger. We have felt that it was worth risking all that we hold as most valuable to defend what our fatherland, Canada, means to us. As for me, Mr. Chairman, such were my feelings and such they have remained. After France, like other European nations, was overrun in June, 1940, I felt that if Great Britain had been crushed at a time when, following the Dunkirk evacuation, neither Canada, England nor the United States were prepared to meet the onslaught, this would have been the end of our liberties, of everything worthwhile in Canada. Therefore, since every patriotic citizen who really loves his country must be anxious to defend it at the risk of his life, and since every worthy citizen is naturally patriotic, we must realize that the youth who have voluntarily enlisted for overseas service or are still willing to do so when circumstances permit, deserve our admiration and are worthy of the pride we feel for them. Those who do not enlist, even though they would be most anxious to do so, have been prevented from taking that course by the selective service. In a great majority of cases, young men brought up on farms have been prevented from enlisting because it is as if each of them had been told: "Young man, in spite of your desire to fight for your country overseas, it is our duty to prevent you from going there because we want you to produce foodstuffs for those who are going to fight over there." Therefore, a great majority of farmers' sons have been, as it were, frozen on the land. The same thing may be said about those who are called upon to work in war industries. If what I say is true, I submit that farmers' sons have not enlisted in larger numbers because they could not do so or because it was thought that their immediate duty lay in the production of foodstuffs for our soldiers and the armies of our allies. My hon. friend the member for Beauharnois-Laprairie (Mr. Raymond) told us last night how terrible it is for a farmer to inform against his son. However, I do not know any bona fide farmers in my constituency, or elsewhere whose sons have been refused a postponement. Therefore, as I know very well the hon. member for Beauharnois-Laprairie, I was rather puzzled by the statement he made last night about farmers' sons. He knows as well as I do that not one bona fide farmer's son has been called up and that, if he has been called he was granted a postponement. Therefore, the father has not been forced to inform against his son since it is the duty of both the father and the son to produce more and more.

There is another matter broached by the hon. member for Beauharnois-Laprairie about which I would like to offer some explanation, not with the intention of lecturing him, but at least so that the citizens of our province may know that if a member protested against that order in council while all others kept silent, it was not because anyone wanted to admit the accuracy of the statement made by the hon. member for Beauharnois-Laprairie, and which had reference to the order in council he mentioned last night as reported on page 2534 of *Hansard*. He said that the government had been unfair to Canadians of French extraction when they passed order in council No. 1355, dated March 4, 1944, which contains the following provision:

> The minister, upon being informed by the Department of National Defence that a specified number of men are required for military training, may instruct any registrar to apply these regulations to a specified number of men from his division, and may inform a registrar how many French-speaking men are required.

And the hon. member for Beauharnois-Laprairie said:

> I ask the minister why he has inserted in this order in council a special provision relating to French-speaking Canadians. I thought that in this country of ours we were all Canadians and that when men are called into the army there should be no distinction between French Canadians or English Canadians or Canadians of any other race, because we are all Canadians. I fail to see the object of this special distinction applying to French Canadians.

Mr. Chairman, I do not intend to answer on behalf of the minister. The hon. minister can well take care of himself. If I bring the matter up, it is only to state humbly that the hon. member for Chambly-Rouville differs from the hon. member for Beauharnois-Laprairie in his interpretation of the order.

Mr. FAUTEUX: Hear, hear.

Mr. DUPUIS: My hon. friend knows perfectly well, or at least should know, that in the very first year of the war, in 1940, when the National War Services Department was set up, the hon. Minister of National War Services and the other ministers of the crown decided in their wisdom—and we congratulate them for it—that English-speaking Canadians would receive their military training in the English language, and that the French-speaking Canadians would get theirs in their own language. And then, as officers were not in sufficient number—the hon. member for Portneuf (Mr. Gauthier), a former officer himself, knows it very well—officers' training schools were set up throughout Canada and particularly in the province of Quebec. Thus a great many officers were trained and formed, so that, since the

beginning of the war, any young French-speaking Canadian, whether he enlists voluntarily or is called up for home defence in Canada or in Canada's territorial waters, is directed to a training centre where he is instructed in French by French-Canadian officers. The hon. member for Beauharnois-Laprairie must be aware of that. Since 1940 every member in the house and every army training centre have received a pamphlet, "The National War Services Regulations, 1940" (Consolidation 1941). And if the hon. member for Portneuf who is presently, I suppose, the representative of the party headed by the hon. member for Beauharnois-Laprairie, cares to look up page 7, paragraph 9, of that pamphlet, he will note that this same paragraph of the order in council exists since the beginning of the war. I shall not quote the whole paragraph, but merely the part which deals with French-Canadian recruits. Subsection 2 of section 9 reads as follows:

> The minister shall inform each divisional registrar concerned of the number of French-speaking men who are required to report for military training to an indicated place or places and at an indicated time.

Since then, and precisely on account of this section, these instructions are followed by National Defence and mobilization officials. When the number of French-Canadian recruits who report for military training is known, they are immediately sent to training schools staffed by French-Canadian officers who teach them in their own tongue. More than that, they are supplied with French textbooks. So that when my hon. friend from Beauharnois-Laprairie attempted to take the hon. Minister of Labour to task for this section of the order in council which he quoted last evening, he afforded the other hon. members of this house who are of French descent the opportunity to look up the National War Services regulations and to tell our hon. friends, the members of the Bloc Populaire, that the purpose, the motive, the reason why this clause was inserted,—and is still in the regulations—was exactly to give fair play to Canadians of French descent who wish to do their duty and defend their country.

(Text) Mr. GILLIS: I am just as anxious as the minister to see the item pass, but this is about the only chance we have to get information on certain matters about which we receive inquiries. I wish to try to get some information from the minister on the unemployment situation, and I rise for that purpose. So many complicated statements are made that I am beginning to wonder whether anyone knows exactly what the employment requirements of the country are. Since the minister has presented his estimates he has stated that he could use 160,000 people if he could find them. Notwithstanding that statement one finds statements in the press and statements emanating from national selective service that would lead one to believe that either those in selective service who are directly responsible for the problem have very little knowledge of it or the minister is out in his estimates. It is to clarify that, in my own mind at least, that I want to get some information. For example, on March 23 the Ottawa *Citizen* carried the following statement:

> Mr. Redvers Pratt, local manager of the office of employment and selective service, said to-day he called on contractors unaware of the surplus of workmen to begin operations immediately.

That is, in the building trade, and he goes on to point out that he has listed in his office some 121 carpenters out of work, also a great number of bricklayers, lathers, painters and a considerable number of heavy labourers and so forth. That is right here in Ottawa from one of the main offices. You find the union of carpenters, bricklayers, painters and labourers in Toronto writing in and protesting against the fact that employees in the building trades, old men who were unfit for, or not eligible for military service are being replaced by able-bodied Royal Canadian Air Force personnel. They are taking over the regular employment of those men who must earn their own living in that way. I am not going to elaborate on that. It has many ramifications. There is waste in several directions there. I am absolutely convinced of the trustworthiness of the sources of the information. It has been a matter of controversy for some time between the Department of Labour and the unions concerned.

I hold in my hand correspondence of as recent a date as April 18. The fact of the matter is the R.C.A.F. personnel are replacing civilian personnel in that trade. More serious than that is a circular letter issued by the office of the manager of selective service at Dawson Creek, British Columbia. According to this letter it would appear that there has been some change in the rates of pay of employees employed on the Alaska highway. A new schedule was posted which in effect changed from an hourly basis to a monthly basis most of the employees employed on that project in a maintenance capacity. This change is looked upon by the employees as a reduction in wages of approximately $125 a month.

That is a substantial reduction in the change-over. Coinciding with the posting of the new schedule we find the manager of employment and selective service in that area

issuing a notice which is certainly not in line with the statement made by the minister on the matter of employment. I shall quote a couple of paragraphs of it, because if the minister is not aware of it he should be. The notice reads as follows:

To: All Canadian employees employed by United States engineers department.

I regret very much that due to pressure of business I am unable to call upon each and every camp individually and give a talk regarding the proposed set-up for Canadian employees on the maintenance of highway flight strips and airports and the conditions pertaining thereto.

However, Mr. McDonald of the labour relations, U.S. government, who is a Canadian, has kindly consented to give a talk on such conditions which have been posted in each and every camp.

I want the minister to take notice of this statement:

There is one thing I would like to impress upon you. As no doubt some of you are aware, conditions outside at the present time are not of the very best meaning by this there has been heavy lay-offs of workers throughout Canada as a whole and in many centres where there has been war projects of various descriptions the wages have lapsed back to those that were paid prior to the war.

It is the intention of both United States and Canadian governments at the present time to retain in the neighbourhood of five to six hundred individuals for the fore-mentioned maintenance work.

There is no indication at the present time of any new projects being opened up in Canada with the result there will be a difficult matter to absorb in Canadian industry the hundreds that are now idle throughout the prairie provinces alone and I would suggest and advise that those of you who are desirous of having employment for the duration of the war plus six months thereafter at a still fair wage schedule as quoted by Mr. McDonald, would consider very seriously of making their intentions known immediately to their superior official.

I cannot understand a letter like that going out from a national selective service office. I do not imagine the central office in Ottawa would have any knowledge of it, nor that it would have their sanction, because that officer is giving a wrong picture of the employment situation, if the minister is correct, and is using his office to coerce the men concerned into accepting a very substantial reduction in wages. In the light of press statements emanating to a large extent from selective service officials, and the minister's statement that he could find employment for some 160,000 people if he had them, I should like him to tell the committee briefly just where this employment is available, because in the province from which I come a large number of men are unemployed. I receive letters from them from time to time, and I should like to be able to advise them where they might find employment. I am not going to take up any more time on this subject; one might speak on it for hours, but I should like the minister to make a brief statement indicating the sections of Canada where there is a shortage of labour, and of course I should like him to make some comments on this letter. What I am principally concerned about, of course, is to discover where in Canada there is a shortage of labour in any given industry, so that when we receive inquiries we may be able to advise people accordingly. Certainly, men are not needed in the building industry.

Mr. GARDINER: They are needed in every packing plant in Canada.

Mr. GILLIS: That is good. Then, as a matter of labour relations, I should like the minister to tell me whether it is the policy of his department under selective service to permit regular members of the building trades, mechanics and so on, to be replaced by service personnel and thrown on to unemployment insurance. This is an old difficulty which, to my knowledge, has been encountered for the last eighteen months; it has been a matter of controversy between selective service and the service departments, and I think the time has come when the Department of Labour should decide exactly what is to be done, since it is the prerogative of this department to look after such matters.

Mr. MITCHELL: I was speaking in round figures the other day when I mentioned the 160,000 people who were needed. In the A, B. and C priority industries there is at the present time a shortage of 103,659 males. There are vacancies for 15,709 loggers and for 51,475 females in all occupations. This is the latest return.

Mr. GILLIS: Could the minister give us any idea of the sections of Canada where these people are needed?

Mr. MITCHELL: I am trying to get that break-down now. In regard to the letter read by my hon. friend I can only say that in a large organization such as we are administering, letters like this do go out sometimes. As soon as we had knowledge of this letter it was suppressed; that is as far as I can go in that direction. In regard to people being unemployed, the hon. gentleman knows as well as I do that there will be pockets of unemployment. That is inevitable in a country with seasonal employment like Canada; for short periods, at any rate, there will be unemployment, particularly in the building trades, let us say. The men engaged in those trades understand it; in fact the wage structure is predicated upon that fact. I am not going into the history of the development of the wage structure in the building industry or any

other industry, but that fact is understood. In regard to the information requested by the hon. gentleman as to where labour shortages exist, as I said in connection with another matter naturally we who are engaged in the central control deal in the large numbers while the local offices deal with matters in the field. I shall endeavour to give my hon. friend the figures he desires; they are available any time he wants them. I can send them over to him, unless he would like them on the record.

Mr. GILLIS: I believe they should be on the record.

Mr. MITCHELL: Very well, but my hon. friend can see what I am up against.

Mr. GILLIS: It is not necessary to read them.

Mr. MITCHELL: This is a pretty big proposition.

Mr. GILLIS: Table them.

Mr. MITCHELL: I shall be glad to do that, but I do not think they should go into *Hansard;* they would cover several pages. My hon. friend wants an indication of where there are vacancies, I suppose particularly in his own province.

Mr. GILLIS: Yes.

Mr. MITCHELL: I shall be glad to give my hon. friend these figures. With reference to competition in the services, particularly in the building trades, that is an old story, and it is pretty hard to draw the line between where the functions of the armed services end and where the work of the building trades begins. I was not aware that we were having any serious difficulty at the present time, I mean in a large way. That condition might exist somewhere temporarily, but I know we maintain liaison with the service departments, and any protests or complaints or representations are taken up with the other departments expeditiously. I think that is as far as I can go. I know of no specific instances at the moment of complaints of competition between men in the services and those engaged in ordinary, everyday labour.

Mr. GILLIS: I have in my hand a list sent me by the national union of carpenters and bricklayers of Toronto. The complaint is that at No. 1 equipment depot twelve civilian carpenters have been laid off and replaced by R.C.A.F. personnel. The matter is now being adjudicated, I understand, by two or three different departments.

Mr. MITCHELL: That is in the day to day administration of the department; there is nothing new about that.

[Mr. Mitchell.]

Mr. GILLIS: You take a boy into the air force, and the country goes to great expense in order to train him. Then when you have him trained, when he might be able to make a real contribution from a military point of view, you make use of that boy to replace a civilian carpenter, who is forced back upon unemployment insurance. I cannot see the sense of it.

Mr. DOUGLAS (Weyburn): I would ask the minister to answer a question I had placed on the order paper, giving the figures as to the number of persons, both male and female, registered as unemployed, and the number of persons placed by the unemployment service. The figure came up to January 27. Would the minister bring it up to the end of April?

Mr. MITCHELL: The hon. member wants the figure for unemployment insurance?

Mr. DOUGLAS (Weyburn): No; the number registered at employment offices as seeking employment. If I remember correctly, on January 27, the figure was 67,000.

Mr. MITCHELL: I shall be glad to have that information to-morrow.

Mr. GAUTHIER (Translation): Mr. Chairman, I was listening a little while ago to the hon. member for Chambly-Rouville (Mr. Dupuis) who, outside as well as within this chamber has become a most powerful champion of an all-out war effort in the province of Quebec. I rise at this moment not for the purpose of answering his speech but rather in an attempt to put things in their proper light. Since he spoke of the declaration of war, and though he was out of order, I shall take the liberty of following in his steps so as to straighten the facts.

His speech would lead us to believe that most of the members of the house have voted in favour of participation in this war, though ne did not expressly say so. His remarks might give the impression that the members actually voted on this question, while no vote was taken on the declaration of war. If the hon. member wishes to refer to *Hansard* of that year, he will note that the declaration of war was agreed to on division, following an observation made by the then leader of the C.C.F. party, Mr. Woodsworth, who said that several members opposed the motion. The speaker having said: "Carried", an hon. member added: "On division." That is how the declaration of war was agreed to. Two days later, we were called upon to vote on the question of participation, that is on a motion of the Minister of Finance asking for an appropriation of $100,000,000. Sixteen members voted against participation, and the hon. member for Chambly-Rouville was not one of them.

Mr. DUPUIS (Translation): I am proud of the fact that I was not one of them.

Mr. GAUTHIER (Translation): The hon. member for Chambly-Rouville has talked about farmers' sons. He has made an effort once more. Last year the hon. member for Témiscouata (Mr. Pouliot)—I would not compare him with the hon. member for Chambly-Rouville when it comes to helping farmers' sons, as that would not be a mark of favour or of praise—made a motion to get exemptions for farmers' sons. I wonder if the hon. member for Chambly-Rouville voted for that motion.

Mr. DUPUIS: (Translation): The government had already decided that farmers' sons were exempted.

Mr. GAUTHIER (Translation): Certainly, and *Le Canada* and *Le Soleil* published headlines six inches high that read: "Farmers' Sons Are Exempted". Since when are they exempted?

Mr. DUPUIS (Translation): They still are.

Mr. GAUTHIER (Translation): They are not. They get a postponement, and they have to lose hours and days of work every time it must be renewed. If the hon. member thinks that is right, I do not.

And when the hon. member for Gaspé (Mr. Roy) last year moved an amendment to the address dealing with farmers' sons, and when we of the Bloc Populaire presented an amendment to the amendment in which we asked that farmers' sons be exempted, the hon. member voted against it. He had once made an effort that had been too much for him, he did not try to repeat it.

The hon. member finds that the member for Beauharnois-Laprairie (Mr. Raymond) goes too far, that he is too critical. But the farmers' sons who have volunteered were certainly not compelled to enlist for overseas service. One of my fellow parishioners who had volunteered has just returned from overseas. But in regard to those who were called for home defence, it frequently happens that farmers' sons had to remain four months and even six months in the army before their release could be secured.

Mr. DUPUIS (Translation): There are not five per cent of these in your constituency.

Mr. GAUTHIER (Translation): I repeat that in several cases farmers' sons were compelled to remain a long time in the army before obtaining their release.

(Text) Mr. MITCHELL: If I might just interject a word: I think my hon. friend is discussing the position of employees in agriculture, under the national selective service regulations. I think I had better read the regulations, so that they may be on record. This is the law. It is not an opinion; it is the law, and it says:

> The board shall, upon the application of a person employed in agriculture, grant him a postponing order until further notice, until it is established to the satisfaction of the board that such person is not an essential worker in agriculture or that such person has at any time since March 23, 1942, ceased to be a person employed in agriculture; but any postponing order made on such grounds may be cancelled by the board, if it is satisfied that the person has, at any time since March 23, 1942, ceased to be a person employed in agriculture.

So that it is automatic.

Mr. GAUTHIER: I was just telling the hon. member for Chambly-Rouville that we have cases where farmers' sons were called to report to the army, or to pass their medical examinations; and sometimes because they have delayed in filling out their report they have been kept in the army for from four to six months. These were farmers' sons, bona fide farmers' sons, and I can give the cases to the minister, if he wants to have them. That is what I was saying; I was not speaking generally. I was telling the minister that there were cases where farmers' sons were obliged to ask for delay, and when they wanted to obtain that delay they had to use hours and sometimes days to attend before the commission in Quebec, before a decision was given. I think I am right in saying that.

Mr. MITCHELL: I should like to see the facts in the case before expressing an opinion. That farmer may have had more sons; I do not know.

Mr. GAUTHIER: This is a special case, and I will give the information to the minister. This boy was kept in the army for four months.

Mr. DUPUIS: One man in the constituency!

Mr. GAUTHIER: Wait a minute; my hon. friend is braver than he was in Stanstead. This is not the only case I have, and I am positive I am not the only member who could give cases to the minister where farmers' sons have been kept in the army for months. That is not an opinion; it is a fact.

Mr. MITCHELL: They may not be essential; it is a matter of opinion.

Mr. GAUTHIER: When a farmer has only one son, do you say he is not essential?

Mr. MITCHELL: It may not be a producing farm.

Mr. GAUTHIER: This time it was a producing farm.

Mr. MITCHELL: That is what you say; the board might not think so.

Mr. GAUTHIER: If the minister does not wish to take my word, all right; I am honest enough and polite enough to take his.

Mr. WEIR: Was he late in applying for postponement?

Mr. MITCHELL: I would be glad to look into the case for my hon. friend.

Mr. GAUTHIER: There are cases like that where farmers' sons are still in the army and the minister knows about them. There are cases where men did not report right away. I know of one or two cases where the men did not report for a month or two. One man came in himself and the other was brought in by the mounted police. Are these men being kept in the army as a penalty because they did not report right away?

Mr. MITCHELL: I do not know the case. My hon. friend knows all about it.

Mr. GAUTHIER: A farmer's son was called by selective service to report and—

Mr. DUPUIS: He fails to do so.

Mr. GAUTHIER: —he fails to do so, as my hon. friend says. But he reports to the army, and I want to know if he is being kept there as a penalty because he delayed reporting.

Mr. MITCHELL: I have told my hon. friend that I cannot say. I cannot sit in judgment in this House of Comomns on 1,600,000 people; it is a physical impossibility. If my hon. friend will give me the facts and the numbers of the cases I shall be glad to look into them. The other day I parked my car where I should not have parked it. I got a ticket because I had broken the law. It is just as simple as that. These men were ordered to report and they did not; they broke the law.

Mr. GAUTHIER: But I am asking if this man is being kept in the army as a penalty. Here is another case. Suppose a man is a specialist in agriculture and was working on a poultry farm as an employee before being called up. He had studied for a number of years and when in the army he endeavoured to get a deferment, which was refused.

Mr. MITCHELL: That is another instance where I would have to get the particulars. My hon. friend cannot turn this House of Commons into a tribunal. I assume that the board is located in Quebec city and that there would be representatives of agriculture to advise that board, as well as the different agencies interested in the man-power problem generally. A judge of one of the courts acts as chairman, the same as in every other part of Canada. I do not know the particulars of these cases. It may be that this man is the only one in Canada who claims he is a specialist. A man may say he is a farmer and be the only man in Canada who thinks so. Because a man says he is a farmer does not mean a thing until he is proved to be a farmer by these different agencies.

Mr. GAUTHIER: This man was in British Columbia and he had attended agricultural college for two years before taking this position. He asked for a delay which was refused on the ground that he was not related to his employer. A man who has studied for two years must be a specialist.

Mr. MITCHELL: It often happens that a man will not tell his commanding officer the same story as he tells his family.

Mr. GAUTHIER: He does not need to tell me his story because I know him personally. I know where he has been working and all about him.

Mr. MITCHELL: There are lots of men who tell their commanding officers an entirely different story from what they tell at home. Many of these men want to stay in the army when the people back home think they should be home.

Mr. GAUTHIER: He does not want to stay in the army. He asked for a delay and they refused it on the ground that he was not related to his employer.

Mr. DORION (Translation): Mr. Chairman, I was in Quebec last night when I read in the newspapers that entirely unfair attacks from a member of this house against Quebec district had again unfortunately been launched. I was glad to find to-night in *L'Action Catholique* of Quebec, a rejoinder concerning the gratuitous assertion made yesterday in this house by the hon. member for Lake Centre (Mr. Diefenbaker). At page 2498 of *Hansard* of May 1, I read the following:

> In Quebec military district, division F, they called up 8·6 per cent of the total population, or, in that period of time, only 8,724 out of some 460,000 men.

I wonder why some members take pleasure in making such exaggerated statements which invariably refer to the province of Quebec. They afterwards circulate such falsehoods in the English language newspapers of this country. To-night, I read in *L'Action Catholique* of May 2 a statement from the Quebec district registrar, Mr. Paré. Here is what he says:

> It is absolutely untrue that, in Quebec district, only 9,000 out of 460,000 "callable" men have been called up, as was alleged by Mr. John B. Diefenbaker, Progressive-Conservative member for Lake Centre. In the first place, in our district, there are but 180,000 "callable" men, not 460,000 as Mr. Diefenbaker has asserted. Moreover, to date, all these men have been called up and have complied with the law. A certain number have been sent to military camps, others have been found physi-

cally unfit, while a third group, after having complied with the law, have been granted postponements under the regulations exempting from military service farmers' sons, lumbermen, fishermen and persons employed in an essential war industry. One must not forget that our district is not like an entirely urban district. On the contrary, the Quebec division might be said to be an essentially rural one, which explains that many potential recruits are momentarily exempted from compulsory military training. One must, however, emphasize the fact that these men have complied with the law and have been granted regular exemptions.

I was anxious, Mr. Chairman, to make this correction to-night so that the falsehoods published yesterday in the English language newspapers might be rectified to-morrow.

Progress reported.

At eleven o'clock the house adjourned until Thursday at 3 o'clock p.m., pursuant to special order made Monday, February 21, 1944.

Thursday, May 4, 1944

The house met at three o'clock.

LABOUR CONDITIONS

AGREEMENTS WITH PROVINCES—TABLING OF ORDERS IN COUNCIL

Hon. HUMPHREY MITCHELL (Minister of Labour): I wish to table order in council P.C. 2911, being an agreement with the province of Ontario, and order in council P.C. 3062, an agreement with the province of British Columbia.

Mr. GRAYDON: Are there any other provinces in a position similar to these two?

Mr. MITCHELL: I expect in the not distant future to have agreements negotiated with all the provinces.

TRANSPORT ACT

AMENDMENT TO REMOVE COMMERCIAL AIR SERVICES FROM JURISDICTION OF TRANSPORT COMMISSIONERS

Hon. J. E. MICHAUD (Minister of Transport) moved for leave to introduce bill No. 101, to amend the Transport Act, 1938.

Mr. GRAYDON: Would the minister explain the purpose of the amendment?

Mr. MICHAUD: This bill is a companion bill to the one to be introduced later by the Minister of Munitions and Supply, based on a resolution, now on the order paper, which provides for the establishment of an air transport board. The provisions of this bill remove commercial air services from the jurisdiction of the board of transport commissioners.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk)

INCOME TAX ARREARS AND PROSECUTIONS

Mr. HANSON (York-Sunbury):

1. What are the arrears of income taxes uncollected for each of the years 1932 to 1942, both inclusive?
2. How many court or other legal actions have been taken by the income tax division looking towards the collection of arrears of income taxes since 1932?
3. What have been the results, (a) in amount of taxes collected; (b) in how many cases have such actions resulted in failure to collect; (c) in compromise of arrears, if any?
4. How many prosecutions for infractions of the Income Tax Act have been instituted during the past ten years ending March 31, 1943?
5. How many of such prosecutions have resulted in convictions, and how many in dismissals?

Mr. GIBSON:

1. (a) Transferred to head office as uncollectible since the inception of the act to date	$ 2,467,368 29
The following statements (b) to (f) in response to question No. 1 are in respect of the accounts as at Mar. 31, 1943:	
(b) Outstanding more than five years and still under process of collection...	1,017,129 34
(c) Claims against members of the armed forces which are held in abeyance, pending their return	436,778 54
(d) Bankruptcies not wound up as at the said date, subject to some further collection	174,797 40
(e) Untraceable taxpayers..	217,004 30
(f) Uncollectible accounts not yet transferred from district office records..	442,229 77
(g) Total of (a) to (f) inclusive	$ 4,755,307 64
(h) Collections by the income tax division for all years up to and including the fiscal year ended Mar. 31, 1943...	$ 4,018,400,395 00

Percentage of (g) to (h)—approximately 1/10th of 1 per cent.

The information for the ten years and for each of the years mentioned is not available in the form requested, but the foregoing contains the information most proximate to the apparent intent of the question.

2. (a) Exchequer court actions—1,727.

(b) 5,903 through legal agents at various points throughout Canada, which agents have taken action in some cases in various local courts when the lawyers' letters demanding compliance with the law have failed to bring proper response.

(c) 29,287 actions by way of taxpayers' creditors being required to pay, not to the taxpayer, but to the crown, sometimes referred to as garnishee actions.

3. (a) (1) $1,484,074.93 through Exchequer court action. (2) Amount unknown of collections through local legal agents—records not maintained. (3) $1,278,567.57 through garnishee proceedings.

(b) (1) 480 through the Exchequer court. (2) Number through legal agents unknown—records not maintained. (3) Number through garnishee proceedings unknown, but believed to be nil—records not maintained.

(c) Compromises have arisen when other creditors of the debtor have compromised their claim or where it appears that compromise will collect more than legal action. A summary of such cases is not maintained.

The answer to paragraph (3) of (b) and to (c) above is believed to be, on the best evidence available, less than 100 in number.

4. 937.

5. (a) 214 convictions. (b) 723 were either dismissed or withdrawn on compliance with or satisfaction of the law, and upon paying our legal agent fees and the court costs incurred. The number dismissed is not kept separately from the number withdrawn. The record is the number of cases concluded. The number of cases dismissed is believed to be under 50.

ALBERTA TAR SANDS

Mr. JOHNSTON (Bow River):

1. Was a quantity of Alberta tar sands sent to England?

2. If so, for what purpose?

3. In what year was it sent, and what quantity?

4. Who was the sender?

5. What was the total cost to the government of Canada?

6. What report, if any, was received by the government?

Mr. CRERAR: I have the answer to this question, but perhaps a word of explanation would be in order. At the time the shipment of tar sands was sent to England there were two departments of government dealing with it. They are now combined with the Department of Mines and Resources. There was considerable correspondence at the time, which has not been included in the answer to the questions, but certain reports that were made by officers of the department have been included. I may say there was no expense to the government in connection with this shipment of tar sands. I think the information that is relevant to the question is all here.

Department of Mines and Resources (from the standpoint of the Department of the Interior):

1. Yes.

2. Experimental purposes.

3. 1920 and 1922—21·2 tons in 1920; 20 tons in 1922.

4. General W. B. Lindsay.

5. All expenses in connection with shipments of this material from Edmonton to England were borne by General Lindsay.

6. Reports were received from the following and copies were attached:

(a) General W. B. Lindsay—dated October 31, 1923, and April 16, 1924.

(b) Dr. Charles Camsell, deputy Minister of Mines and Resources, who visited General Lindsay's plant in England in 1922 and again in 1923—dated November 30, 1923.

(c) Mr. John McLeish when he was director, mines branch, Department of Mines, after he visited General Lindsay's plant in 1925—dated October 20, 1925.

Department of Mines and Resources (from the standpoint of the former Department of Mines):

1. Yes.

2. For testing purposes in response to a request from the British Petroleum Department of the British Government, 2 Queen Anne's Gate Buildings, S.W.1. This Department wrote to the Deputy Minister of Mines on February 10, 1921, in part as follows:

"I have no doubt that considerable attention has been given to this problem and that you have had under review various suggestions as to the best means of extracting the oil from the sand. If you think that there would be any advantage in this problem being investigated in this country, which has had some experience in retorting of shale, coal, cannel, etc., it could probably be arranged for the necessary research to be undertaken at Birmingham university or elsewhere. For this purpose a bulk sample of a few barrels of the tar sand would be necessary. I shall be glad to have your views as to whether you consider it worth while for us to proceed with the

matter on these lines which of course involves a solution by retorting methods rather than by pumping down steam, channelling, or otherwise extracting the oil in situ."

3. Shipment was sent in 1921 and the amount was 300 pounds. The shipment was addressed to professor Madgwick, The University, Birmingham, England.

4. The shipment was made at the direction of the Department of Mines from a quantity held in Edmonton, Alberta, by the Department of the Interior.

5. There is no record of any charges in connection with this shipment being debited to the Department of Mines.

6. There is no record of any report being received by the Department of Mines.

c/o Bank of Montreal,
9, Waterloo Place,
London, S.W. 1,
England.

Wednesday, October 31, 1923.

The Right Hon. Charles Stewart, M.P.,
Minister of the Interior,
Ottawa, Canada.

Dear Mr. Stewart,

Reference is requested to my letter of October 16, 1922. Since that time my progress has been delayed by a continuation of the combination of circumstances therein depicted.

The plant was brought into operation in September 1922 and owing to faulty material provided for the packing of the joints, experienced a disastrous fire. Repairs were made and the plant brought into operation again. As was only to be expected, numerous defects were found both in the plant and the operation of the process. Therefore the operation of the experimental plant for the past year has resolved itself into the carrying out of test runs for short periods and the shutting down for relatively long periods for the design of new apparatus, placing of contract for the construction of new equipment, alterations and repairs. Costly delays have occurred, due to strikes and the bad labour conditions existing in this country generally, and in this part of the country particularly. The main delays have been due, firstly to a prolonged local strike in the works where we are operating, and secondly, to the failure of contractors to live up to their contracts and deliver materials as and when agreed. The difficulty of carrying to a conclusion under the trade and labour conditions existing in this country a proposal of this nature can hardly be realized by anyone who has not attempted it here.

Notwithstanding these handicaps, very considerable progress has been made in the solution of the problem. It has not been solved, but we feel we are very near it, and my experts advise me the difficulties are not chemical but are purely mechanical. The work has been very costly, and our expenditure for the past year has been approximately $85,000.00. As soon as the books have been audited a certificate from Sir W. B. Peat & Co., our auditors, will be forwarded.

Mr. Charles Camsell, Deputy Minister of Mines, visited the plant in operation last week and will no doubt report to you upon the subject of the results achieved to date.

I would respectfully call your attention to the adverse change in the situation, as regards the establishment of a commercial plant for the development of tar sands at the present time, due to the over-production in California and the consequent slump in all oil propositions.

Under the circumstance noted above it is respectfully requested:—

(a) that I may be granted an extension of one year from November 30, 1923, for time within which to erect a commercial plant in the McMurray district.

(b) that the large expenditure already incurred—as certified by Sir W. B. Peat & Co. up to July 31, 1922, and to be certified by them for the past year—be accepted in lieu of rentals for the next year.

In connection therewith reference is made to your letter of January 4, 1923, and favourable consideration is requested.

I have the honour to be, Sir,
Your obedient servant,
(Sgd) W. Bethune Lindsay.

Department of Mines

Ottawa, 30th November, 1923

Office of the Deputy Minister.

Memorandum

Re: General Lindsay's Plant for the treatment of bituminous sands.

This plant is situated near Swansea, South Wales, and was visited by me in September 1922. A memorandum embodying my observations of the operation of the plant was submitted to the Minister on September 28 on my return to Ottawa last year.

I visited the plant again this year on October 27 in company with General Lindsay and in reply to a request for information cabled Mr. Cory on October 29 as follows:

"Saw Lindsay's plant Saturday. No progress made on tar sand separation since last year but has concentrated on new method of refining oil. Cannot say if treatment of sands will be successful."

This cable requires elaboration in order that the situation may be clearly understood.

The process being tried out by General Lindsay consists of two operations namely: (1) the separation of the bitumen from the sand, and (2) distillation of the bitumen and separation into its different fractions by an entirely new method.

Both operations are carried out with superheated steam at high temperatures and under considerable pressure. The oil is vaporized with the steam and when the temperature is lowered condensation takes place of one fraction after another, the heavier first of all and the lighter fraction last. In this respect it is a reversal of the ordinary process of destructive distillation now used.

When the process was first tried out in this plant in September 1922, the packing and joints in the pipes were found to be incapable of withstanding the temperatures and pressures developed and a serious fire broke out, which caused a long delay.

As stated in a previous memorandum of mine on the subject of these bituminous sands, the question of distillation of the oil obtained presents many difficulties and is still an unsolved problem. Lindsay claims that his process of distillation, when perfected, will solve this problem, but of that I cannot speak authoritatively. In consequence of this he has devoted all his attention during the last year to perfecting his process of distillation, and there is no doubt he has made very good progress and appears to be within sight of success.

For this operation he has been using crude oil supplied him by the Auglo-Persian Oil Co., and has been putting through the plant an amount ranging from 150 to 300 barrels a day. His plant has a maximum capacity of about 500 gallons per hour.

He claims to have done sufficient work on the separation of the oil from our sands to feel that his process will perform this operation successfully, but he argues that he dare not use up the 40 tons of sand supplied him until he has the second and more important operation of distillation completely worked out. Looking at the whole process broadly I think he is quite right in this respect.

There is no doubt that the cost of these experiments have run into a great deal of money, and he states that he has expended during the last year some $85,000. An audit of his books will be made by Sir W. B. Peat & Company and a copy of this furnished to the Department of the Interior.

Charles Camsell,
Deputy Minister of Mines.

[Mr. Crerar.]

Ottawa, Ont.
April 16th, 1924.

The Hon. Charles Stewart, M.P.,
Minister of the Interior,
Ottawa, Canada.

Dear Mr. Stewart,—

With reference to my recent application for permission to alter the selections of tar sand areas originally made by me to others which explorations completed since that time, have indicated to be more desirable, I feel it may be useful if I advise you of the conclusions I have reached after a further study of the situation as regards the development of these tar sand areas.

Until oil can be produced from tar sands and sold in competition with oil derived from wells it does not appear to be feasible to develop these deposits economically. The present tremendous excess production of oil in California has necessarily retarded this. It will be recognized that it is hardly practicable to induce capital to enter this field until assured of a successful process, leases which can be developed profitably and a reasonable market for their products. All of this will take time.

My original selection was based on imperfect data available in 1920. This information has been, I understand, largely supplemented by new exploration work but the results will hardly be available for some time.

The original selections consisted of, if I remember correctly, something like 16 blocks. At the request of the Department this was reduced in 1922 to 9 blocks. In accordance with the last request of the department the section has been still further reduced to 4 main blocks and one small block near MacMurray, which is necessary, on account of its situation, for the preliminary work on a small scale.

I feel however that the potential effect of this arbitrary reduction in number and location of leases is not fully realized for the following reasons:—

(1) Surface indications are very unreliable as to the value of a lease. While I understand a great deal of information has been collected regarding surface indications, this will not be available for a long time. No information is available as to the depth or nature of over-burden, the continuity of deposits, or the value of deposits. A glance at the diagram given below will make this clear.

(Diagram).

(2) Under these circumstances a company might expend a large sum of money in the development of a successful process and find

they had leases which could not be operated successfully. I may, therefore, have discarded leases of greater value than those now applied for.

(3) The value of these deposits cannot be determined until they are prospected by core-drilling. As far as I know there is no core-drill as yet available which will operate successfully on these deposits.

In view of the large sums of money already expended by us and the fact that I was the first to take up this question, I feel that it is only reasonable that:—

(a) The selections now made should be considered provisional;

(b) If the detailed exploration work planned for the future discloses better tar sand areas, I should be accorded permission to change and priority of selection.

(c) Every help should be given to ensure exploration and prospecting by core-drilling.

It is understood that some of the areas recently prospected and considered of value have not yet been placed within the tar sand reserve. It is respectfully suggested that this should be done as the information is gathered.

Thanking you in anticipation, believe me, sir,

Yours very truly,
W. Bethune Lindsay.

London,
October 20, 1925.

Report Respecting Experimental Plant for Treatment of Bituminous Sands and Refining of Oils Erected and Operated under the Direction of General W. B. Lindsay at Landarcy, Near Swansea, South Wales.

This Plant was visited by Dr. Charles Camsell, deputy Minister of Mines, in September 1922, and again in October 1923, and reports were submitted thereon to the minister on September 28, 1922, and November 1923.

Pursuant to the request that a further report be made in the matter as to the progress that had been made in these investigations since Dr. Camsell's visit to Swansea in October 1923 the undersigned met General Lindsay in London on two occasions September 4th and October 1st and in addition visited the experimental plant at Landarcy near Swansea, South Wales, on Thursday, September 24th, 1925, in company with Mr. Herbert W. Wagner, who had been Technical Engineer in charge of operations under General Lindsay.

The experimental work on the refining of persian crude oil referred to by Dr. Camsell in his report dated November 30, 1923, was continued till June 1924, at which time, owing to the exhaustion of available funds, experimental operation of the plant ceased, and has not since been resumed. It may be inferred from the mass of detailed records of the experimental work done, that good progress had been made in improving the plant operation and in gradually securing better and better results in respect to the refined products secured; though for final demonstration it appeared desirable to try some further additions to the plant which, while simple in principle, would be quite expensive to install.

Unfortunately General Lindsay and his associates have been having difficulty in securing United States patents, and the delay in securing these, it is claimed, is militating against the immediate securing of further capital for experimental work.

In the meantime Mr. Herbert W. Wagner is undertaking some small scale laboratory investigations at Cardiff on the oils actually derived from the bituminous sands, a small portion of the 40 tons of bituminous sand originally sent to Swansea having been transferred to Cardiff for that purpose. This work had been in progress a few months only at the time of my visit.

In reviewing the work that has been done by General Lindsay to demonstrate the Cafftoo process and its applicability to the treatment of Alberta bituminous sands, the following appear to the undersigned as being important points:—

1. The experimental plant at Landarcy which is on the property of the Anglo-Persian oil company, is on a substantial scale requiring a throughput of from 150 to 300 barrels of oil per day for its operation.

2. No actual tests of bituminous sands have been made in this plant for the reason that it would be impractical to supply a sufficient quantity of the sand for that purpose. The quantity of 40 tons supplied for experimental use would be used up in a few hours, and would not supply a sufficient quantity of oil for practical test in the plant.

3. General Lindsay is strongly of the opinion that if he can successfully demonstrate the application of the Cafftoo process to the refining of such oils as persian crude, he will have comparatively little difficulty in adapting the process to the treatment of the bituminous sands. On this latter assumption I am not prepared to offer an opinion.

4. Assuming the successful demonstration of the Cafftoo process for the treatment of persian crude oil, another experimental plant would require to be constructed at a point

convenient to an adequate supply of bituminous sand in order that a full demonstration could be made in respect to the treatment of such sands.

5. Prior to June 1924, a very large amount of money—the evidence in respect to which is, I believe, already on file with the interior department—has been expended in the effort to solve the problem of the treatment of the tar sands.

6. Actual experimental work at Landarcy ceased in June 1924.

7. General Lindsay is endeavouring to enlist further capital in the project, but is being delayed through difficulty in securing U.S. patents

Respectfully submitted,

Director: Mines Branch.

INVENTIONS BOARD

Mr. HANSELL:

1. Is there an inventions board or committee within the government of Canada? If so, what are the names of the members, and who is the chairman?

2. How many inventions or suggestions have been made to this board since the commencement of the war?

3. How many have been accepted as useful and are at the present time being put to use?

4. When inventions or suggestions are received by the board, what is the procedure in dealing with them?

Mr. MacKINNON (Edmonton West):

1. Yes. There is an inventions board composed of the president, national research council, chairman; a deputy minister of national defence (army); the deputy minister of national defence (air); the deputy minister for naval services; and Mr. Lesslie R. Thomson of the Department of Munitions and Supply who is secretary of the board.

2. 13,548.

3. Precise numbers are not available. About four-fifths of the proposals received deal with ideas which have been previously considered by the board or that are of slight technical interest but no military value. About ten per cent of the proposals have some evident merit which warrants reference being made to military consultants. Data as to the number of these actually put into use cannot be released.

4. All inventions and suggestions received by the board go in the first instance to one of four sub-committees of the board. These primary committees are the civilian consulting committee, the army consulting committee, the naval consulting committee, and the air force consulting committee. The duties of these sub-committees are to receive and to screen all suggestions and inventions received from the sources which their respective names indicate. Upon receipt of any suggestion or invention an acknowledgment is immediately sent to the inventor to thank him. The suggestion or invention is then referred to the appropriate technical consultants within either the armed services or the national research council. Occasionally other consultants are used. Upon receipt of the technical consultants' reports, a letter is then sent to the inventor setting out the essence of what has been ascertained. If the suggestion has been appraised as of no value, the author is so informed. If the suggestion is useful but refers only to administrative improvements and the like within any one of the services, the consulting committee of that service deals finally with the suggestion. If, on the other hand, the proposal has been appraised as useful in itself but of no particular value to the war effort, permission is likely to be given by the inventions board to the inventor to exploit the particular invention to his own advantage. If the invention or suggestion is believed to be of value to the war effort, the matter is then referred to the board's main examining committee which meets monthly, and makes recommendations to the board regarding patent application, further development work, or other courses of action.

CANADIAN NATIONAL RAILWAYS—LEASE OF PROPERTY TO ALPHONSE LEDOUX

Mr. LACOMBE:

1. Have the Canadian National Railways leased to one Alphonse Ledoux a property in the Oka district, county of Two Mountains, province of Quebec?

2. If so, what is the amount of annual rent paid by Ledoux?

3. Does Alphonse Ledoux perform any duties or work for the Canadian National Railways?

4. If so, does he come within the jurisdiction of the local administration office at Montreal or that of Toronto?

Mr. MICHAUD:

1. Yes.

2. This concerns a detail of railway administration which is not of public interest.

3. Yes.

4. Reports to regional right of way agent, Toronto.

PRICE CEILING—GRAPEFRUIT JUICE

Mr. FRASER (Peterborough West):

1. Did the wartime prices and trade board authorize the importation during the past fiscal year of grapefruit juice and secure release of American exchange for payment of same?

2. What amount of subsidy was paid in order to keep the selling price under the ceiling which had been set for this product?

3. Was the purchase and importation of the grapefruit juice made by the board, or by private interests under permit of the board?

4. If by private interests, what person, firm or firms, received the authority to import, and to whom was the subsidy paid, and how much to each person or firm?

Mr. ABBOTT: Importations of grapefruit juice were declared ineligible for subsidy consideration as of May 11, 1942. As the price of grapefruit juice has increased sharply in the United States since the inception of the price ceiling, importation by private concerns for sale at domestic ceiling prices is virtually impossible.

However, under the authority of a minute of the wartime prices and trade board, dated June 16, 1942, the Commodity Prices Stabilization Corporation Limited bulk purchased grapefruit juice to meet the requirements of the Department of Munitions and Supply, and a further minute of the board, dated August 25, 1942, authorized the corporation to purchase a specified quantity for the Canadian Red Cross Society. Sales to these purchasers are at cost, therefore no trading loss is incurred.

In the fall of 1943, due to the fact that a large percentage (38 per cent) of the 1943 pack of tomato juice was to be retained for priority claimants, and there was an anticipated shortage of tomato juice for civilian users, it appeared advisable to make available a supply of grapefruit juice.

There had been, in the United States, a release of 2,700,000 cases of 1942 pack for civilian use, together with an additional supply of approximately 3,000,000 cases of 1943 pack over and above the 1942 pack. This increased the availability of the commodity, and on November 9, 1943, wartime prices and trade board authorized Commodity Prices Stabilization Corporation Ltd., to bulk purchase for resale, grapefruit juice for civilian consumption in Canada.

In order that grapefruit juice may be sold in compliance with the maximum prices regulations, the corporations selling prices are necessarily below cost. On total purchases of some 700,000 cases the trading loss is expected to be approximately $1 per case, but it is felt that the nutritional value and high Vitamin C content, so necessary to the Canadian diet, justify the cost to the government.

The corporations purchases are distributed through the normal trade channels on the basis of the importers' 1941-42 average purchases. Shipments are made against the allocations of the administrator of imported grocery items of the wartime prices and trade board, who has completed arrangements with the Food brokers association for equitable distribution throughout Canada. For the corporations actual selling prices to the first distributor, reference may be made to administrator's order A-1073. In the case of U.S. grapefruit juice, prices are f.o.b. U.S. shipping point, actual importation being completed by the first distributor. In the case of Trinidad grapefruit juice, prices are on a delivered basis at central distributing points in the maritime provinces.

WARTIME PRICES AND TRADE BOARD—NORTH BAY AND SUDBURY

Mr. HURTUBISE:

1. What are the names, positions and salaries of the personnel of, (a) the regional office; (b) the local office of the wartime prices and trade board in North Bay?

2. What are the names, positions and salaries of the personnel of the local office of the wartime prices and trade board in Sudbury?

Mr. ABBOTT:

1. (a) Name—Position—Salary

Smith, A. T., Prices & Supply Representative, $4,500.

Cunningham, R. A., Assistant to Prices & Supply Representative, $3,500.

Crisp, M. J., Superintendent of Local Offices, $2,800.

Little, W., Officer, Enforcement Counsel, $4,000.

Brown, S. W., Officer (Foods), $2,600.

Grainger, J. F., Officer (Information), $1,300 (part time).

Seal, D. W., Officer (Tire), $2,500.

Carter, R. J., Investigator, $2,100.

Doyle, A. F, Investigator (Gas & Tire), $1,680.

MacDonald, K. C., Investigator, $1,620.

Steele, J. A., Investigator, $1,800.

Kirk, I. Miss, Clerk, Gr. 2, $1,080.

Ross, C. E. Miss, Clerk, Gr. 1, $840.

Boisvert, M. R. Mrs., Steno, Gr. 2, $1,080.

Brown, M. M. Miss, Steno. Gr. 2, $1,140.

Hurly, M. L. Miss, Steno. Gr. 2, $1,140.

McEwan, N. L. Miss, Steno. Gr. 2A, $1,200.

Miller, M. C. Mrs., Clerk Gr. 2, $1,080.

Gunn, B. I. Miss, Steno. Gr. 1, $900.

McAuley, J. I. Miss, Steno. Gr. 1, $840.

Thomas, R. M. Miss, Steno. Gr. 1A, $900.

McKee, B. J., Office Boy, $300 (part time).

Martin, J. R., Regional Superintendent of Rationing, $3,000; $720 living allowance.

Hewitt, C. H., Officer (Rationing), $2,400.

Jarvis, J. M., Liaison Officer (Ration), $2,100.

Lamoureux, L., Liaison Officer, $2,100.

Trussler, H., Officer (Ration), $2,400.

Bourke, M. M. Mrs., Clerk Gr. 2, $1,080.

Church, J. E. Miss, Clerk Gr. 1, $840.

Feris, M. M. Miss, Clerk Gr. 1, $840.

Hardwicke, F. M. Mrs., Clerk Gr. 1A, $960.

Johnston, E. M. Miss, Clerk Gr. 1A, $960.

Parr, H. L. Mrs., Clerk Gr. 1A, $960.
Reynolds, M. F. Mrs., Clerk Gr. 1, $720.
Tilley, D. C. Mrs., Clerk Gr. 1A, $960.
McKenney, I. V. Mrs., Steno. Gr. 2, $1,140.
Bonell, V. L. Mrs., Steno. Gr. 1A, $900.
Kelly, M. J. Mrs., Steno. Gr. 1, $840.
Lake, R. E. Mrs., Steno. Gr. 1A, $900.

(b) There is no local office—other than the regional office in North Bay.

2. Name—Position—Salary

Noon, F. J., Local Representative, $3,000.
Frawley, J. E. J., Invest. (Tire), $1,920.
Graham, C., Invest., $2,000.
Lamoureux, A., Invest., $2,040.
McNeill, T. G., Invest. (Food), $2,100.
Simpson, G., Rentals Appraiser W., $2,100.
Huneault, L., Clerk Gr. 4, $2,620.
Church, E. A. Mrs., Sten. Gr. 2, $1,140.
Connolly, I. K. Mrs., Sten. Gr. 2, $1,080.
Clavette, J. M. Miss, Sten. Gr. 1A, $900.

RADIO TUBE SHORTAGE

Mr. BENCE:

What steps, if any, is the administration taking to relieve the radio tube shortage in this country?

Mr. ABBOTT: The production of radio tubes is under the Department of Munitions and Supply, therefore most of the Canadian production of tubes is necessarily absorbed by the radio and radar requirements of the armed services.

The only supply of tubes which can be made available for civilian use arises from those which can be produced over and above the requirements of the services.

The same shortage of radio tubes prevails in the United States, but through arrangements made between the war production board and the wartime prices and trade board, a normal share of the American production is being secured for Canadian users.

It is also hoped that during the last half of this current year, increased supplies will be available from the Canadian manufacturers.

OLD AGE AND BLIND PENSIONERS—LIENS OR REGISTRATION NOTICES

Mr. KNOWLES:

1. Has the practice of filing liens or registration notices against the property of old age and blind pensioners been discontinued by Prince Edward Island, Quebec, Ontario, Manitoba, or Saskatchewan, since the time of the last dominion examination of the provincial pension accounts, referred to by Mr. Abbott, on page 1742 of *Hansard* for March 23, 1944?

2. In any of the above-noted provinces, where this practice has been discontinued, have liens or registration notices previously filed been withdrawn?

[Mr. Abbott.]

Mr. ABBOTT:

1. The province of Saskatchewan has recently informed the Department of Finance that it has discontinued the practice of filing caveats in cases where the net estate is less than $2,000. The department has not been notified of any change of procedure in connection with the filing of liens or registration notices against the property of old age pensioners in the provinces of Prince Edward Island, Quebec, Ontario and Manitoba.

2. The province of Saskatchewan has not stated whether caveats previously filed have been withdrawn.

NAVAL SERVICE—TRANSFER OF VOLUNTARY RATINGS TO PERMANENT FORCE

Mr. COLDWELL:

1. Is there a naval monthly order, No. 3383, dealing with the transfer of volunteer ratings to the permanent force?

2. If so, does this order specify that all applicants must be of the "white race"?

3. If all applicants must be of the "white race" what racial origins would serve to disqualify Canadian citizens from making application?

Mr. MACDONALD (Kingston City):

1. Yes.

2 and 3. Yes. In March, 1943, naval order 2653 was promulgated, repealing the provisions of article 144, Canadian naval regulations, as regards racial origin in respect of enrolment of personnel for hostilities only.

When naval order 3383 was drafted the terms of article 144, Canadian naval regulations, were used instead of the terms of naval order 2653. An amendment is now being prepared to rectify the matter.

PARK STEAMSHIP COMPANY—CARGO SHIPS

Mr. REID:

Of the seventy-five cargo ships turned over to the Park Steamship Company Limited, how many of these have been placed under manager controls, and what are the names of the various individuals or companies who are acting as manager operators, showing the number of cargo ships under each management?

Mr. CHEVRIER:

(a) Seventy-five ships made up as follows:

Tankers	15
10,000-ton cargo ships	51
4,700-ton cargo ships	9

(b) and (c)

No. of ships	Manager operators
	Tankers
2	—Shipping Limited
3	—Shell Canadian Tankers Limited
10	—Imperial Oil Limited

10,000-ton Cargo Ships

5 —Elder-Dempster Lines Limited
4 —Canadian Pacific Steamships Limited
5 —Canadian Australasian Line Limited
8 —McLean-Kennedy Limited
4 —Furness-Withy & Co., Ltd.
1 —Constantine Steamship Line Limited
6 —Canadian Transport Co. Ltd.
6 —Anglo-Canadian Shipping Co. Ltd.
2 —Empire Shipping Company Limited
2 —North Pacific Shipping Company Ltd.
1 —Furness (Pacific) Limited
3 —Cunard White Star Limited
2 —Canadian Shipping Company Ltd.
2 —Seaboard Shipping Company Ltd.

4,700-ton Cargo Ships

1 —Pickford and Black Limited
6 —Canadian National Steamships Limited
1 —Union Steamships Limited
1 —Montreal Shipping Company Limited

CORBY'S DISTILLERY—EXCISE OFFICERS

Mr. NOSEWORTHY:

1. What are the names and grades of excise officers employed by the government at Corby's distillery at the port of Belleville?

2. What were the amounts paid to them for March, 1944, for travelling allowances, and what was the actual mileage in each case on which these amounts were based?

3. What is the treasury board's ruling as to rates per mile for travelling expenses when privately-owned automobiles are used by these officers continuously in government service?

4. Does the treasury board ruling as to rates per mile in this case provide for the payment of a higher mileage rate to second officers than to junior officers?

5. Did second excise officers employed at this port receive in March a higher rate for actual miles driven than did junior officers?

6. If so, is this in accord with the treasury board ruling?

Mr. GIBSON:

1 and 2.

Name—rank	Travelling allowances March, 1944
W. J. Cook, special exciseman, grade 3, class "A"	$22 40
Frederick Cooke, customs excise examiner	18 00
G. M. Miller, special exciseman grade 1	15 60
G. A. Moon, customs excise examiner	.....
W. A. G. Pennylegion, customs excise clerk	16 20
F. W. Sprague, special exciseman, grade 2	21 60
S. A. Sword, customs excise examiner	16 20
J. M. Tufts, customs excise examiner	15 00

3. Treasury board's ruling does not apply to these officers as they are not granted an automobile allowance, but a travelling allowance to proceed from their homes to Corbyville and return each day.

4. Answered by No. 3.

5. The chief officer and his assistant are granted a higher per diem allowance than the junior officers in view of being subject to call before and after regular hours and on Sundays and holidays.

6. Answered by No. 3.

SOLDIER SETTLEMENT

Mr. NEILL:

Under the Soldiers' Settlement Act of 1919:
1. How many returned soldiers were placed on land?

2. How many soldiers have completed payment and received title to their lands?

3. How many are still on their purchases but haven't yet completed payment?

4. How many purchases were abandoned or rescinded?

5. How much has the government lost under this act due to reductions made in prices of land or stock, rebates of interest and loss by land reverting to the crown, and the cost of the department having charge of this transaction? (A reasonable approximation only is required.)

Mr. CRERAR:

(As at March 31, 1944.)

1. Including 224 Indian soldier settlers, 25,017.

2. 4,130. In addition, in 1,003 cases settlers liquidated their equities by selling their lands to other persons on time sale agreements and assignments.

3. 6,153.

4. 13,731.

5. Legislative reductions by amendment to the Soldier Settlement Act (live stock reduction, interest exemption, 1922, estimated land revaluation, 30 per cent reduction, interest remission, 1933, dollar for dollar bonus, reduction of loans under P.C. 10472) ..... $ 39,388,642
Farmers' Creditors Arrangement Act 7,906,161
Losses on resale reverted property 25,787,210
Estimated administration cost.... 27,000,000

$100,082,013

MOBILIZATION ACT—PERSONNEL NOT ATTESTED FOR OVERSEAS SERVICE

Mr. LaCROIX (Quebec-Montmorency):

1. Are the men called under the National Resources Mobilization Act who have not signed for overseas service, and who are presently stationed in Canada, now under the jurisdiction of the said act, as amended by Bill No. 80?

2. If so, since when?

Mr. MACDONALD (Halifax):

1. Yes.

2. Since the date the act came into operation, namely, June 21, 1940.

INTERNMENTS—ALOIS N. SCHNEIDER

Mr. BENCE:

1. Was one Alois N. Schneider interned under the defence of Canada regulations since the commencement of this war?

2. If so, on what date was he so interned?

3. Why was he so interned?

4. Was the said Alois N. Schneider subsequently released from internment? If so, on what date?

5. On whose recommendation was he so released?

6. Was the said Alois N. Schneider subsequently reinterned? If so, on what date?

7. Why was he so reinterned?

8. Is the said Alois N. Schneider still interned under the provisions of the defence of Canada regulations?

9. If not, when was he released, and upon whose recommendation?

10. Was he released upon the recommendation of a committee under the provisions of the defence of Canada regulations? If so, was the decision of the committee unanimous?

11. What change has there been in the conditions with respect to this man since the date of his reinternment which would justify his release?

Mr. ST. LAURENT:

1. Yes.

2. 5th September, 1939.

3. Because the Minister of Justice was satisfied at that time that, with a view to preventing Schneider from acting in any manner prejudicial to the public safety or the safety of the state it was necessary so to do.

4. Yes, about 21st December, 1939.

5. Representations were made by his solicitor, an inspector of Hudson's Bay Company, the secretary of a Board of Trade, two clergymen, and others, including a petition containing 53 names from the St. Walburg district, where Schneider resided. It is not in the public interest to disclose names of persons making representations in connection with the cases of persons detained or recommended for detention under the defence of Canada regulations, it being necessary that persons supplying such information should know that it will be treated as confidential.

[Mr. Crerar.]

6. Yes, 10th June, 1940.

7. Because, owing to conditions existing at that time, the Minister of Justice was satisfied that, with a view to preventing Schneider from acting in any manner prejudicial to the public safety or the safety of the state it was necessary so to do.

8. No.

9. Shortly after February 21, 1944, on recommendation of an advisory committee after hearing at Fredericton, N.B., of this case, amongst some fifty-four others.

10. The answer to both questions is, Yes.

11. The information which was before the advisory committee must be treated as confidential, but in addition to that which concerned Alois N. Schneider himself, it was publicly known that he has two nephews in the Canadian Army overseas, and his own son, who is not old enough to join the army, is serving in the home defence force.

CATTLE AND HOGS—MANITOBA

Mr. BRYCE:

Under present regulations, can a farmer in Manitoba have his cattle and hogs killed at a licensed abattoir and government inspected, then sell to whom he wants to?

Mr. ABBOTT: Under present regulations a farmer in Manitoba may have his cattle and hogs killed for him at a government inspected abattoir (but there is no obligation on the abattoir to do such slaughtering unless it was customarily engaged in such business in the year of 1941). The resultant meat may be sold by the farmer to neighbour farmers and to household consumers, but not to anyone else, unless the farmer is the holder of a slaughtering permit issued by the wartime prices and trade board or unless his farm is located in a deficiency production area in Manitoba which is defined as follows: "All territory north of the 53rd parallel".

*SALES OF WHEAT, DOMESTIC AND EXPORT

Mr. PERLEY:

1. How much wheat, and at what price, basis No 1 northern, was sold by the Canadian wheat board for domestic purposes since 1st August, 1943, and what subsidies have been paid on same?

2. How much wheat has been sold by the Canadian wheat board under the mutual aid agreement since 1st August, 1943, (a) at what prices basis No 1 northern; (b) to what countries?

3. How much wheat has been sold by the Canadian wheat board since 1st August, 1943, and at what prices basis No 1 northern, Fort William, to, (a) United Kingdom; (b) United States; (c) all other countries not included in the mutual aid agreement?

Mr. MacKINNON (Edmonton West): Mr. Speaker, the member for Qu'Appelle is undoubtedly aware that the Canadian wheat board is not required by law to make public its sales on a current basis. In any event, in disposing of wheat to the mills and shippers, the board is not necessarily advised at the time by the shippers of the ultimate destinations of the wheat. It is sufficient for the board's purposes to make sales to the shippers on the basis of a division between class I, or mutual aid and domestic wheat, and class II, or non-mutual aid wheat.

To give the member for Q'Appelle, however, some guidance in finding an approximation to the information he is seeking, I might say that the domestic sales and the official export figures of Canadian wheat and flour, together with the known prices which are paid to the board for wheat going to these various destinations, will serve in large part to answer his question. I shall be glad to make this material available later as an order for return.

MONTREAL LIGHT, HEAT AND POWER COMPANY—TAXES TO DOMINION GOVERNMENT

Mr. GAUTHIER:

1. Before its expropriation by the government of the province of Quebec, did the Montreal Light, Heat and Power owe the dominion government any taxes?

2. If so, since when, and in what amount?

Mr. GIBSON: The provisions of the Income War Tax Act prohibit the giving of the information asked for by the hon. member in this question.

CANADIAN FORCES—LEAVE AFTER LONG SERVICE

Mr. RAYMOND:

1. Is the government aware of an article published on March 14 last in the *Eighth Army News* as to the complaints of Canadian soldiers now in Italy who are refused applications for leave to visit their families in America after four years absence?

2. Has the government taken into consideration the complaints and applications of Canadian soldiers who have been thus serving in Europe for a long time and who are refused an application for leave to visit their families in America?

Mr. MACDONALD (Halifax):

1 and 2. Please refer to statement of Minister of National Defence on page 1513 of *Hansard*, dated Mar. 16, 1944.

QUESTIONS PASSED AS ORDERS FOR RETURNS

HOUSING—TORONTO—AID BY MILITARY FORCES

Mr. CHURCH:

What is being done with regard to the housing emergency existing at Toronto in the way of aid to civil power there by the military forces, (a) to provide temporarily building space there to store temporarily household goods of those suffering; (b) temporary loan of motor vehicles to move household goods in this emergency, to May 1?

Mr. MACDONALD (Halifax): Return tabled.

RADIO BROADCASTING—NATIONAL WAR FINANCE COMMITTEE

Mr. FRASER (Peterborough West):

1. Are appointments to the staff of the C.B.C. under the jurisdiction of the civil service commission?

2. Are appointments to the national war finance committee staff under the jurisdiction of the civil service commission?

3. What governmental authority decides the amount of remuneration to be paid to persons appointed by the C.B.C. or the national war finance committee, and who are said to come under the class known as "uncontrolled and legally uncontrollable section of the committee"?

4. Is there any rule in the Civil Service Act of Canada defining the status or classification of a person giving a fifteen-minute broadcast over the C.B.C. and under the auspices of the war finance committee and who is paid a stipend out of the public treasury for the same?

5. Is there any limitation to the amount that either of the aforementioned bodies may pay to a person for broadcasting as indicated in question 4?

6. What is the basis upon which the value or merit of a broadcast by an individual is determined?

COAL—COMMISSIONS OF INQUIRY

Mr. HANSELL:

1. How many royal commissions have been set up to investigate the subject of coal and related subjects since 1914?

2. What was the name of each commission, who was its chairman, and when was each set up?

3. What subject did each commission deal with, and when did each make its report?

4. What was the total cost of each commission?

5. Have there been any other inquiries made on coal and relative subjects by any other government-appointed bodies other than royal commissions?

6. If so, how many? What was the subject, and when was each report made?

CUSTODIAN OF ENEMY PROPERTY—GERMAN AND JAPANESE COMPANIES

Mr. KNOWLES:

1. Have any amounts of money been received by the custodian of enemy property from the Bayer Company of Canada, Limited, and placed

to the credit of the I. G. Farben Corporation and Farbenfabriken Vorm Fried Bayer and Company of Germany, since the outbreak of the present war? If so, what is the total?

2. Have any other sums of money been received by the custodian of enemy property and placed to the credit of the above companies during the same period? If so, in what amounts, and from what companies in Canada, or from what sources have such other sums been received?

3. Have any other German companies had amounts placed to their credit by the custodian of enemy property since the outbreak of the present war? If so, what is the total amount in each case?

4. Have any Japanese companies had amounts placed to their credit by the custodian of enemy property since December 7, 1941? If so, what companies, and what is the total amount in each case?

5. Is any interest being paid on or added to amounts placed to the credit of German or Japanese companies by the custodian of enemy property?

6. Where and how are these funds held?

7. Has the government taken any steps to obtain profits made in Canada by German or Japanese companies since the outbreak of the present war?

Mr. McLARTY: Return tabled.

SYDNEY AND LOUISBURG RAILWAY—SUBSIDIES OR OTHER ASSISTANCE

Mr. GILLIS:

1. How much money was paid to the Sydney and Louisburg Railway for the years 1942-43 by way of subsidy or other assistance?

2. How much money was paid them under the Maritime Freight Rates Act?

POTATOES

Mr. ROWE:

1. Are potatoes being imported into Canada at the present time?

2. What is the present duty on imported potatoes?

3. What is the present stock of Canadian potatoes still available?

4. What is the retail price of, (a) new imported potatoes; (b) old crop Canadian potatoes?

DAIRY PRODUCTS—PRODUCTION SUBSIDIES

Mr. GAUTHIER:

What amount has been paid by the dominion government to farmers of each of the provinces of Canada, since 1939, in subsidies for the production of, (a) butter; (b) cheese; (c) milk?

CANADIAN FORCES—CIGARETTES

Mr. O'BRIEN:

1. What system exists to make cigarettes available to the Canadian forces overseas?

2. Are Canadian brands of cigarettes plentifully available for all units and at unit canteens?

3. What arrangements exist to provide cigarettes for soldiers, airmen and sailors whilst away from units on leave or furlough overseas?

[Mr. Knowles.]

4. Do such arrangements prevail at the Beaver club and similar service organizations?

5. What prices are charged for Canadian cigarettes of standard brands at unit canteens and elsewhere for purchase by our Canadian armed service personnel during leave overseas?

PUBLIC SERVICE—HOSPITALIZATION OR MEDICAL CARE WHILE IN OTHER COUNTRIES

Mr. MacKENZIE (Neepawa):

1. During the past fiscal year, was hospitalization or medical care, or both, paid by the government for Canadian civil servants or employees injured or taken ill while serving in or passing through a foreign country?

2. If so, how many, and in what departments of government?

3. Was payment for medical care or hospitalization refused in certain cases? If so, why?

ALDERSHOT CAMP—DESTRUCTION OF BUILDINGS BY FIRE IN 1940

Mr. BLACK (Cumberland):

1. Were certain buildings at Aldershot camp, Kentville, Nova Scotia, destroyed by fire on or about the 25th day of December, 1940?

2. If so, how many buildings were destroyed, and what was the value?

3. What other property was destroyed, and what was the estimated value?

4. Have any claims for damages been submitted on behalf of officers or other occupants of buildings, stating the total value of such claims and the amounts allowed for reimbursement?

5. Were any tools and personal effects destroyed in such fire which were owned or being used by civilian carpenters or workmen employed by the Department of National Defence or by contractors on construction work, and what was the estimated value?

6. What moneys were appropriated for payment of such losses, and to whom were such moneys advanced or paid?

7. What are the number and amount of additional claims?

8. How did the fire originate?

EXTERNAL TRADE

INQUIRY AS TO CONSTITUTION OF ADVISORY INTERDEPARTMENTAL COMMITTEE

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): I have a question I desire to direct to the acting leader of the government. I understand that a committee representing various departments of government has been constituted to deal with Canadian trade arrangements. If such a committee has been set up by the government, by what name will it be designated, what will be its functions, who will be its chairman and who will comprise its personnel?

Hon. L. S. ST. LAURENT (Acting Secretary of State for External Affairs): May I be permitted to answer the question? On April 27

last there was adopted on the recommendation of the Secretary of State for External Affairs (Mr. Mackenzie King) an order in council setting up an interdepartmental committee which will be known as the external trade advisory committee. It was represented that the war has reached a stage at which prompt decisions have to be reached on many questions of export and import trade policy which concern several departments and agencies of government, particularly in relation to their effect upon the volume of supplies available for Canadian civilian or military use, or for alternative urgent external requirements, including relief and rehabilitation. It was thought desirable that an agency should be established for prompt consultation between departments and other agencies of government on such matters.

The membership of the committee is to consist of persons to be nominated as follows: One member by the Secretary of State for External Affairs; one member by the Minister of Trade and Commerce; one member by the Minister of Munitions and Supply, to represent the Department of Munitions and Supply; one member by the chairman of the mutual aid board, to represent the administration of that board; one member by the Minister of Finance to represent the Department of Finance; one member by the Minister of Finance to represent the wartime prices and trade board, and a third member by the Minister of Finance, to represent the foreign exchange control board; one member by the Minister of National Revenue, and one member by the Minister of Agriculture.

The functions of this committee are: (a) to serve as a medium for consultation between departments and agencies of government on questions concerning export and import trade; (b) to make recommendations and reports to ministers, departments or agencies of the government on matters relating to wartime export and import trade, or to trade during the period of transition to peace; (c) in appropriate cases to refer questions bearing upon import or export trade to other interdepartmental committees or boards for consideration; (d) to investigate matters concerning export or import trade in war time or in the period of transition to peace, and to obtain information thereon from departments and agencies of the government; (e) without restricting the generality of the foregoing, to investigate, consider and make recommendations concerning the supplying by Canada of goods and services for relief and rehabilitation purposes.

The members of the committee have been appointed. I shall lay on the table a copy of the order in council, which is being published in the publication containing such orders in council; and annexed to it is a list of the persons appointed to the committee and of alternates to act in their absence.

The committee had a meeting on the second instant, and Mr. Sydney Pierce was chosen by the members of the committee as their chairman. Mr. Pierce is the director general of the Washington office of munitions and supply, on loan to the Department of External Affairs; he was chosen by the Secretary of State for External Affairs to represent that department on the committee. The list of members of the committee and their alternates is quite long, and if I may be permitted to do so I shall table the list together with a copy of the order in council.

Mr. POULIOT: Pierce is a puppet prime minister.

Mr. GRAYDON: Was my hon. friend going to ask a question?

Mr. POULIOT: No; I just said Pierce was a puppet prime minister.

Mr. GRAYDON: I am quite sure my hon. friend will not expect me to comment on that statement, but I should like to ask the Minister of Justice if it is proposed that in due course this committee shall report to parliament.

Mr. ST. LAURENT: No; it is an interdepartmental committee which has no executive function whatever. It is set up for the purpose of having one committee where the repercussions on the affairs of other departments of decisions which might be taken in connection with exports may be considered and brought to the attention of such other departments before such decisions are reached and carried out. The committee itself makes no decisions; it will afford a forum where the effect of a project to export a certain quantity of a certain commodity may be considered in regard to the requirements of other departments and brought to the attention of the appropriate ministers before any decision is arrived at and carried into effect.

LABOUR CONDITIONS

DISPUTE AT THE PLANT OF FORD MOTOR COMPANY

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): I should like to ask the Minister of Labour to give the house the present position of the labour dispute in the plant of the Ford Motor Company of Canada Limited at Windsor, and also to indicate the steps

the government is taking to ensure a settlement of this dispute in order that war production may be resumed.

Hon. HUMPHREY MITCHELL (Minister of Labour): The leader of the opposition was good enough to give me notice of this question, and I should like to make the following statement. The Ford Motor Company of Canada Limited, Windsor, Ontario, had contractual relations with local No. 200 of the United Automobile Workers of America. The two parties signed an agreement in December, 1942, and renewed it with some slight changes, in January, 1944. Under this agreement provision was made for a procedure whereby stewards would handle and investigate grievances. This procedure specified that stewards might leave their regular duties for a reasonable length of time, subject to the approval of their foremen and subject also to a maximum absence from their regular duties of two hours per working day and not more than three hours in any two consecutive working days. However, if the foreman was of the opinion that more than a reasonable period of time had been taken by a steward he could decline to approve payment to the steward for such excess time.

It was the contention of the union that a practice had arisen over the last two years under which stewards serviced grievances without any of these restrictions and because the company decided to adhere to the written terms of the contract representations were made to the wartime labour relations board, that is the national board, for an interpretation or clarification of the grievance procedure in the light of the current practice. The board had arranged to hear the parties on April 25, but in the meantime the company issued misconduct slips to stewards who were considered to be violating the terms of the agreement. Later four stewards were suspended for six days, and this culminated in a stoppage of work on April 20. There was a clause in the agreement which provided that if a strike occurred the agreement could be terminated immediately, and pursuant to this provision immediately the stoppage took place the company served notice on the union that it considered the agreement at an end.

The wartime labour relations board (national) invited representatives of the company and the union to Ottawa, and for four days last week made an effort to conciliate the dispute. On Saturday the company and the union accepted a proposal drafted by the board. It was an important condition of the proposal that the wartime labour relations board (national) would determine the procedure applying to representation and the settlement of grievances for the period during which the parties would be in negotiation for a new contract, and that in the event of a dispute as to the interpretation or application of the provisions of the settlement or of the grievance procedure established by the board, it would be submitted to arbitration under the direction of the board.

The board submitted the grievance procedure to both parties on Monday of this week and immediately appointed one of the senior conciliating officers of the Department of Labour as an interim impartial umpire to facilitate the application of the grievance procedure and the final adjustment of disputes arising in connection therewith, his decision—and this was agreed to—to be final and binding on both parties. On Tuesday, May 2, it developed that the union objected to the grievance procedure as laid down by the board and at a mass meeting decided on a further stoppage of work which became effective at midnight of that date. According to newspaper reports the decision of the union to strike on midnight of May 2 was taken against the advice of the president of local No. 200 of the union, Mr. Roy England, and of the Canadian director of the union, Mr. George Burt. Two of the experienced officers of the department are now on the ground and are in contact with representatives of the company and the union.

OLD AGE PENSIONS

NEGOTIATIONS TO REDUCE PENSION AGE TO SIXTY-FIVE YEARS

On the orders of the day:

Mr. W. R. MACDONALD (Brantford City): This morning's newspapers carried a Canadian Press dispatch, and I refer to the item which appeared in the Toronto *Globe and Mail*, with respect to old age pensions, dated at Quebec yesterday, reading as follows:

> Premier Godbout announced in the legislative assembly to-day that the provincial government had started negotiations with the federal government with a view to having the age for the start of old age pensions reduced from seventy to sixty-five.

Will the Minister of Finance advise the house as to the nature of the negotiations, that is, whether they have been by correspondence or by conference, and would he also advise as to the present position of the negotiations?

Hon. J. L. ILSLEY (Minister of Finance): The only representations from the government of Quebec of which I am aware are by correspondence. Last summer we had some correspondence with the provinces in regard to increasing the maximum pension payable,

which is $25 a month; and more recently we have had considerable correspondence with reference to amendments to other regulations. In the course of that correspondence it was stated by or on behalf of the government of Quebec that the government of that province would favour a reduction in the eligibility age from seventy to sixty-five.

Mr. GRAYDON: I am not so much interested in what the government of Quebec favours as in what this government favours. Is this government in favour of a reduction to sixty-five years of age?

Mr. ILSLEY: That is a matter of policy which will be announced in due course; the hon. gentleman is fully aware of that fact.

Mr. GRAYDON: Well, I thought "due course" might be now.

Some hon. MEMBERS: Order.

COAL

INQUIRY AS TO APPOINTMENT OF ROYAL COMMISSION ANNOUNCED MARCH 21

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): I should like to direct a question to the Minister of Munitions and Supply of which I sent him notice a couple of days ago. On March 21, when the minister presented his estimates to the house, he announced the appointment of a royal commission to inquire into the coal industry, with the end in view of mapping out a post-war fuel policy. Mine workers across Canada are inquiring whether the personnel of that commission have been appointed. They are preparing their case, and would like to know when they might expect to meet the commission. Can the minister give them some idea as to when the commission will begin to function?

Hon. C. D. HOWE (Minister of Munitions and Supply): I regret to say that the members of the royal commission have not been appointed as yet. There has been some difficulty in obtaining agreement as to the personnel of the commission. However the matter is being pressed forward, and I hope to be able to make an announcement shortly. I am not sufficiently familiar with the matter to give even an approximate date at the present time.

WORLD TRADE UNION CONFERENCE

CANCELLATION OF LONDON MEETING—POSSIBILITY OF HOLDING CONFERENCE IN CANADA

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): I should like to direct a further question to the Minister of Labour. An Associated Press dispatch, bearing a Philadelphia dateline of yesterday, states that Sir Walter Citrine, internationally known labour leader, has to-day called off the world trade union conference scheduled for London in June, and the dispatch further indicates that the meeting may be held in Canada. Is the minister in a position to inform the house of the date and the place in Canada of such meeting?

Hon. HUMPHREY MITCHELL (Minister of Labour): I read the news dispatch to which the leader of the opposition has referred. I think the answer is that pending events in Britain made it inadvisable for the proposed world trade union conference to be held as planned in London in June next.

Arrangements for the proposed conference are in the hands of Sir Walter Citrine, general secretary of the British Trades Union Congress, and it is apparent he feels the conference could be held more conveniently on this side of the Atlantic. That is particularly so in view of the fact that a number of delegates are now attending the International Labour Office conference at Philadelphia. I am sure everybody in Canada will be glad to have the conference meet here. No doubt Sir Walter Citrine will be making arrangements with the labour leaders in the dominion as to the time and place of the conference.

Mr. GRAYDON: May I suggest that the government extend to the conference an invitation on behalf of Canada?

CANADIAN ARMY

CORRESPONDENCE WITH RAILWAYS RESPECTING DRAFTEES

On the orders of the day:

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, the other day the Minister of Labour said he would table correspondence exchanged between his department and the railways regarding draftees. Will he be good enough to do so to-day?

Hon. HUMPHREY MITCHELL (Minister of Labour): I will do anything that is physically possible. I am not working twenty-six hours a day, because there are only twenty-four hours in a day. I think I got a good going-over on Tuesday—if I may use the language of the street. However, my hon. friend may rest assured that as soon as physically possible the return for which he asks will be tabled.

ROYAL AIR FORCE

CRASH OF LIBERATOR BOMBER IN MONTREAL ON APRIL 25—COMPENSATION

On the orders of the day:

Mr. T. P. HEALY (St. Ann): I should like to ask a question of the Minister of National Defence for Air. What arrangements has the government been able to make to compensate relatives of those who were killed in the aeroplane crash in Montreal? Also, what will be done for those whose homes were destroyed by fire and who, on account of the accident, are left homeless?

Hon. C. G. POWER (Minister of National Defence for Air).: The hon. member for St. Ann (Mr. Healy), in whose constituency this unfortunate accident occurred, was good enough to give me notice of the question, and I have prepared an answer.

As the house is aware, a Liberator aircraft en route from Montreal Airport for delivery in the United Kingdom crashed in Montreal on 25th April, 1944, resulting in the death of a number of residents as well as the aircraft's crew and injury to persons and property.

The aircraft was under the control and direction of the Royal Air Force and the question of paying compensation for the pecuniary loss suffered as the result of the crash rests with the government of the United Kingdom and not the government of Canada.

I have been asked by the United Kingdom authorities to state that this question of compensation has been given careful and sympathetic consideration by the Air Ministry of the United Kingdom and that, without going into the question of legal liability, the ministry is anxious and is prepared to deal with this question of compensation on the same basis as would be adopted in the event of a similar accident in Canada in which an aircraft of the Royal Canadian Air Force had been involved.

In order that the United Kingdom Air Ministry may have full and complete information in each case where such pecuniary loss has been suffered, so as to assist it in determining what would be fair and reasonable compensation, and to implement its desire that compensation be dealt with as I have mentioned, the Canadian government is taking immediate action whereby those persons who have suffered pecuniary loss as a result of the accident will be able to have their claims in respect of such loss appraised on a fair and reasonable basis.

The circumstances are such as to make it desirable to have the matter dealt with with the greatest expedition and the house may rest assured that this will be done and that every facility will be afforded those persons who have suffered pecuniary loss to have the same appraised on a fair and equitable basis.

BUSINESS OF THE HOUSE

AGRICULTURE COMMITTEE—MARKETING OF GRAIN AND MEAT PRODUCTS

On the orders of the day:

Mr. P. E. WRIGHT (Melfort): Mr. Speaker as it is apparent that at least for the present the government has no intention of calling either war or civil estimates of the Department of Agriculture, and as there are serious conditions existing in connection with the marketing of both grain and meat products, matters which hon. members are anxious to have discussed immediately, will the government call the committee on agriculture at once so that these matters may be brought before it?

Hon. J. L. RALSTON (Acting Prime Minister): I shall take the question my hon. friend has asked into consideration, and discuss it with my colleagues. I may say that the passing of the items in agriculture would, I think, do about as much as anything to expedite the matters to which he has referred.

INQUIRY OF THE MINISTRY

RESTRICTIONS ON THE MANUFACTURE OF MEN'S CLOTHING

On the orders of the day:

Mr. G. K. FRASER (Peterborough West): Mr. Speaker, I should like to ask a question of the Minister of Munitions and Supply. As restrictions have been taken off the manufacture of men's clothing in Great Britain, will similar restrictions in Canada be lifted?

Hon. J. L. ILSLEY (Minister of Finance): I do not think that is a proper question to be asked when the orders of the day are called. I suggest it is not within the rules of the house.

WAR APPROPRIATION BILL

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

The house resumed from Tuesday, May 2, consideration in committee of a resolution to grant to His Majesty certain sums of money for the carrying out of measures consequent upon the existence of a state of war—Mr. Ilsley—Mr. Bradette in the chair.

DEPARTMENT OF LABOUR

National selective service programme, $11,002,429.

Mr. POULIOT: The only way to understand the scope of the problem of national selective service is to consider it not from an electoral viewpoint, but rather to study it objectively. The question is not that of pleasing the farmer or pleasing the army, but simply that of doing what is right, not being afraid to do so, and speaking accordingly. It will be impossible to discuss the problem of selective service so long as it is engulfed in politics, so long as it serves as a political platform for the jingoes or for those who hold the opposite views. The question of man-power is one which concerns the future of this country to the utmost. It cannot be onesided; it must be well balanced. The Minister of Labour should be the regulator as between the requisitions of the army and the needs of industry; he should act as a pendulum. At no time should he be a stoker for the Department of National Defence.

It has been customary for certain club men, men who have never been in a theatre of war, men who may be graduates of military schools and possess some technical military knowledge but who have never won their spurs in a theatre of war, to say that it is a good thing to establish conscription of others for the waging of war. Conscription should be preached only by example. I deny to any one who has not been in a theatre of war, even though he has studied in a military college and may wear a uniform, the right to uphold conscription. That is one point. I concede the right to those who have been in a theatre of war to hold the wrong view, but we have the right to discuss the matter without being told that we are what we are not.

A jingo is a man who beats the drum, a man who thinks that all farmers should be in the army, that those who are not in the army are not doing their duty. They think that it is the duty of every man in good health and of military age to be in the army. That point of view is encouraged by talks sent over the C.B.C. at certain hours and it is encouraged also by the wartime information board and in a different way by the censorship regulations. News of what is said in the house is curtailed by the censors and does not reach the people who have a right to know what is being said in their defence.

Some half-truths are being uttered. When the Minister of Labour and his deputy wrote to the government of Quebec that conscription would not be applied to farmers, that was true to a certain extent. It is true to a certain extent because of the fight that has been waged for the farmers by a small group of members of parliament who have the courage of their convictions and who can speak louder than any jingo can beat a drum. But it is essential that every hon. member of the committee should know what happened. If an hon. member asks the Minister of Labour to supply him with the same information that was requested by the premier of Quebec he will be told that the farmers receive special consideration from the mobilization boards. I admit that that may be true with regard to farmers who have never been in a military camp, but as soon as a man enters a military camp it is altogether different. That is why I have been asking questions about the postponements granted by mobilization boards in connection with draftees who are farmers' sons or who have worked on farms. When farmers have been in training for a month, these boards, which act under the Minister of Labour, consider it their duty to turn down most of the applications. They act simply as rubber stamps; they do not give due consideration to those farmers who are needed on the farms.

This condition dates back a long time. At one time the treatment accorded by the Quebec board to draftees who were farmers—and the same was true of other places—was rotten; it was an abomination. This condition was corrected to some extent, but many farmers who are indispensable are being sent to the training camps. The fact that they were farmers was not considered at all. As soon as these men received regimental numbers they were considered as belonging to the army and it was impossible for them to get back to the farm.

In how many cases have there been injustices? These people believed in the good faith of the government. They were at first told by every minister that the training would be for one month only. They did not ask for postponements, because they believed the statement that their training would be for one month only. The first training period began in November, 1940, an off season, and these men took the training believing they would be free for the rest of the year. Then they were called back for four months and finally had to stay there. They found it impossible to get leave after they were in the army.

I have a number of meritorious cases represented by the many files before me, some

large and others not so large but just as deserving, covering men who have been placed in these camps under false pretences or because of the ignorance and stupidity of the members of the boards. Who suffers for this? In the first place it is the old father who cannot look after his farm alone, and it is also the country.

The jingo conception of conscription is that every able-bodied man should be in the army, without any consideration for the consequences of an unbalanced war effort. I will tell you, Mr. Chairman, how I would like things to work. In the first place there should be a campaign of information to educate the Canadian people and help them to understand what are the needs of this country. The farmer, the railway man, the miner, and all others who are working in essential industries should be rehabilitated in the minds of Canadian citizens who are not aware of the degree to which these occupations are essential to the state. That campaign can be carried on by the wartime information board and the Canadian Broadcasting Corporation. That would be much more useful than the pamphlets we receive and the little stories that are told over the C.B.C.

Next, the scissors of censorship must not be allowed to cut the reports of the two news agencies, the Canadian Press and the British United Press but must give an opportunity to the Canadian people to inform themselves about the work that is done for them here in this house.

Next, Mr. Chairman, the Minister of Labour should be the boss of all draftees. I do not see why the Minister of National Defence is considered as holding a job more important than that of the Minister of Labour. Undoubtedly the job of the Minister of National Defence is important, but why should he have a priority over the Minister of Labour so that his requisitions for men must be filled at the expense of the lifeblood of the nation? This I cannot understand. It is a jingo policy when the Minister of Labour has to say "yes" to all the requistions which are made upon him by the Department of National Defence. The Minister of Labour has no information about the actual needs of the Department of National Defence. He has to take the word of its minister. What is the word of the Minister of National Defence? It is the sequel to the commitments he made when in London. The Minister of National Defence went to London and said: I will send you so many divisions. He has told us himself that he sent men to Italy who were not requested by the British government. And we call that a fine gesture. But on account of that so-called fine gesture, which was probably inspired by international finance, Barclay's bank—

The CHAIRMAN: Order. I know that the hon. member realizes that I wish to be very tolerant, and he has been allowed considerable latitude. We have been over three days considering this one item, and in my opinion international finance should be left out of this discussion and the hon. member should come down to earth and discuss the item before the committee.

Mr. POULIOT: Your mind is too quick, Mr. Chairman. I hope you will let me finish my argument, and then you will see that it is closely related to the item before us. However, I will leave aside international finance and all that, and say this. The Minister of National Defence has told us himself that it was not at the request of the British government that he sent our men to Sicily or Italy. But it is precisely on account of commitments of that kind made in the name of the Canadian people that the Minister of Labour is called upon to pay the bill by calling up Canadian citizens who would be better employed in the industries where they are working.

I want to say to the Minister of Labour, in all earnestness, I would like to see him in a position where he could decide these matters as a real minister in charge of man-power. I would like to see him able to say to a man who is needed in industry and wants to enlist: No, your place is not in the army, it is in the industry where you work, and you are helping the war effort best by continuing to work in that essential industry. But the Minister of Labour has not this information that he should have. How can he decide between the needs of the army and the needs of industry if he has no figures on the needs of industry and the needs of the army? He has no information on those needs. He receives a requisition from the Department of National Defence for ten thousand or one hundred thousand men. It is a requisition in bulk. But does the Minister of Labour know to what extent he will deprive industry of man-power which is urgently needed in industry if he fills the requisition of the Department of National Defence? He cannot know because he has not the figures. Very often I have made a test. I have asked the Department of Labour for figures that

should be on the desk of the Minister of Labour and his deputy, and it was not possible for me to get those figures. It was not because they were secret. Those figures should have been there. It is essential for the Minister of Labour to have them if he is to know what is the man-power reserve, if any, in this country.

There are other jingoes who sing the same song all the time—we must get reinforcements for our troops overseas—we must have so many divisions—we must have so many recruits, so many men for reinforcements, and so on. It is very easy to say: Just disband one division and then you will have reinforcements sufficient for the others, for the time being. How can the Minister of Labour decide between the needs of the lumber industry, for instance, and the needs of the army? I say that in all earnestness and in the best possible spirit of friendship for the minister, who has my full sympathy. I think his job is an intolerable one. He is not the boss. He is like the office boy of the Minister of National Defence or a clerk of the minister. The Minister of National Defence tells him: We need ten thousand or one hundred thousand men. Then the Minister of Labour writes to the various boards and tells them: The army needs so many men, and we must get them. But what does the Minister of Labour know about the actual needs of the lumber industry or about the needs of the farmers, for example?

What is the difference? It comes back to what I said a moment ago. On the one hand there is a requisition from the Department of National Defence for a definite number of men. But agriculture is different. The farmers are scattered all over the land, and it is impossible for them all to reach the Minister of Labour and tell him of their needs of man-power as easily as his colleague the Minister of National Defence can. What farmer in any province sits in council with the Minister of Labour and has the opportunity to speak to him every day, as often as he wishes every day, as the Minister of National Defence has? The Minister of Labour is in an impossible position. That is why I said to the Minister of Labour the other day that he deserves the consideration and help of his colleagues—for what? For reform. We must make it easier for the Minister of Labour to do the things he should do. He should be the minister of man-power, with full authority over draftees, whether they are in uniform or not, provided they have not volunteered. He should be in a position to answer back when the Minister of National Defence makes an exorbitant demand upon him for men. Would it not be for the good of the nation were he to tell the Minister of National Defence: "Please keep quiet and I will see to it, and after I have examined the situation carefully I will tell you whether I can give you the men or not"? He should not be bound to say "yes" to all the requests he receives from the Minister of National Defence; if he does, the future of this country will be unbalanced. It is simple to say these things, and it is precisely because these things are so simple that it is so hard to get them accepted.

What happens? We write to the Department of National Defence regarding the case of a farmer who is needed on the land, and what does that department answer? The answer is that the mobilization board has not granted the application of the father to have his son back with him on the farm, and the blame is put by the army on the mobilization board, which is under the Minister of Labour. That is ingratitude. The mobilization boards cater to the army and then get the cold shoulder as a reward. That is the way it is done. In most cases it is useless to bring before the mobilization board, which is under the Minister of Labour, the cases of soldiers who have already had some training and who are in the army now. It is a most difficult thing.

I will tell the minister more than that. There are some intriguers on the board, not all of them, but some of them who want advancement and who try to intrigue to place people in the army at the expense of justice, at the expense of the right application of the regulations. That is the way it is done, and I could tell him a sad story. But my idea was to try to bring the committee back to fundamentals, back to a basis of discussion which would be different from what has been heard before in certain quarters, a basis of discussion that would satisfy the minds of the people of any province in Canada, even if they do not all agree with it. That is my view.

I have spoken of the farmers. They enjoy a certain consideration because they are numerous and because in many counties the election is decided by the vote of the farmers. If I believed the farmers' sons did not deserve postponement from training or leave from the army I would never advocate their cause, but I do so because I believe they do not receive fair treatment, to which they are entitled, and they are led into error by the false statement that conscription does not apply to them. We have conscription in this country; undoubtedly so. The sons of farmers of military age who are on the farms now have not had any training; ninety-nine per cent of those who have had training for a month or two have been kept in the army. That is the difference, and to be honest with the people,

to be honest with the leading citizens of any province, this is what should be said to them if they inquire for information.

And now with regard to the railway business, I shall have a lot to say later on. But there is a distinction also between draftees and volunteers. The other day the Minister of National Defence was non-committal regarding what had been said by Major General Pearkes in British Columbia. Here however I have a statement made by Brigadier Macklin in Vernon, according to a Canadian press dispatch of April 7. He blamed recruits for refusing to enlist in the active army when he spoke in favour of the sixth victory loan, and he did not give them an opportunity to walk in parade on the occasion of the loan, those who had not been willing to sign for overseas. That is a great humiliation to put on the men, because they were acting in accordance with the law. There is nothing that forces them to go overseas unless conscription for overseas is established now, and the only thing that is needed to send these men there is a stroke of the minister's pen, and he knows that very well.

What I regret very much is the fact that it is impossible to discuss these matters without being called personal or being told that we are wasting the time of the house. It is most unfortunate that we have reached the time when legitimate criticism is considered a personal insult by certain members of the cabinet. It is not a matter of personal pride; it is a question of the good of the country. Is it better to continue saying that all men of military age should be in the army, notwithstanding the needs of industry? If the majority of the house takes that view I will say nothing further about it in this chamber, though I will do so outside. On the other hand, if it is regarded as being for the good of the nation that the Minister of Labour should be the boss and should have the right to decide what shall be done by young men who are draftees, whether they should be in the army or not, that is another point that deserves the best consideration.

There should be only one boss. The Minister of Labour should no longer be the office boy of the Minister of National Defence. That is my point and I hope it will be well understood. I referred a moment ago to the differences between the mass requisitions that he gets from the Department of National Defence and the single applications that he receives from farmers with respect to their sons. How could the minister know the need of the farms in all Canada every week if the boards do not report to him the number of requisitions that have been received and how they have been dealt with? Even then there is no organization to inform the minister about the needs of the farmers. The only thing that is done is by members of parliament who voice the protests of the farmers in this committee. I hope that all this will be taken into consideration. I am very anxious to see the reaction to a little bit of reflection and thought not only from the Minister of Labour but from all his colleagues as well in order to correct a situation that is going from bad to worse.

Mr. CHURCH: I do not wish to add to the difficulty of the minister and his deputies in their calculations. I wish to point out what I mentioned in the house before the present minister and his deputies were in the position they occupy to-day. When the war started in 1939 we were not ready for it. I am not very much interested in the battle of wits on mathematics that has been going on. I am interested in reading the various reports and records galore of counts made on man-power in this war. It is now getting near to Woodbine time. We are in a man-power pool that is nearly as bad as the Woodbine pool. The battle of wits has been going on. Let us get down to the facts. When war broke out we had the old system of records in the three forces. Each of the forces was running its own department, so to speak. We then came along to the time when the Minister of Agriculture was the head of the national resources department and a card system of registration was established. It took months and months to count up the results of that registration. Finally, they were all counted. What was the result? The count was carried on the way the census returns are dealt with, and it took nearly a year to get the returns. I admit it is a difficult task that the minister has undertaken and it is rather difficult to straighten it out. I sympathize with him in that respect. When the war broke out in 1939 I was asked by three or four municipalities if I could do something for them in this committe and that is the only matter I wish to raise to-day. I was asked to see if there could be some change made in the system of recording man-power. The records system was a relic of the South African war. When a man enlists he signs attestation papers. The system was just copied from the one used by the mother country in the other war. They have a similar system in Washington.

We have had numerous counts, and it has been a run-around, a merry-go-round, since the war started. It is not the fault of the present minister. He is the victim of the system. Where are these returns? I received five or six returns under the first system, the

registration card affair. I received returns showing that so far as the records go they could not tell how many men enlisted from Toronto, St. Catharines or the minister's own riding of Welland. There was no place where we could get the figures. This is a changing war, Mr. Chairman. Do not forget that. The war is changing from week to week, from month to month, and from year to year. What was the result? They added certain formations. The artillery was in Winnipeg and Petawawa; the infantry were parcelled all over Canada. Then, there were different branches of the air force all over the country, with the result that the municipalities got all twisted up. You could not tell how many men came from Lake Centre; you could not tell how many men came from Orangeville, the riding of South Simcoe; the minister could not tell how many came from St. Catharines, or any centres like that. What became of all these figures on the three counts that were made? My point is this: in the victory loan campaigns they have a system whereby they can tell to-morrow the amount of money collected all over Canada to-day. It is a very good mathematical system yet we cannot do it in man-power. I do not know how they do it in the victory loan, but it is being done.

An attempt was made to enforce the registration card system. Officers in Toronto would walk along the street and ask you to show your card. The municipalities are helping the minister and his deputies. I have seen it happen at public meetings in the city of Toronto. Under the administration of the present deputy the police walk into a hockey match—I have not attended a professional hockey match since the war started—and ask some spectators for their registration cards. I read in the papers that the Toronto police are going all over the city requesting individuals to show their cards. They are trying to help the minister in his work.

Under the first system you had your registration card. I fail to see how that helped at all. There were returns made to orders of the house of prosecutions all over Canada for failure to register. They show a total of 150. Of that number 97 were in the city of Toronto and the remainder were in the military districts all over the country. The military districts have been changed. Take No. 10, Winnipeg; a large portion of that includes your constituency, Mr. Chairman, and part of northwest Ontario. Take No. 3, Kingston. That district includes the city of Ottawa. You find the same condition all across Canada. You find city of Toronto soldiers all over Canada in the air force. When I asked for a return in the house they could not tell me the number of men from Toronto who enlisted in the air force. The present Minister of National Defence for Air gave a return for the city of Ottawa. One was given for the city of Toronto but it did not go very far. One or two municipalities wrote me about it. I brought it up in 1940 and 1941.

Then we had the 1941 census, the national registration, and the plebiscite. What has happened to the returns in these cases? Are they all counted? They ought to be. Are they shown in the returns? So far as I can see, those returns might have been invaluabie to the armed forces, but they were not used and we have now this system. Some use might have been made of them if they were available. We then have the unemployment insurance and the insurance books. Then you have the Canada Year Book which gives the results of the last war and last census. Then we have Mr. Lash on the radio. He was engaged on the radio to show that Ontario was falling down in recruiting as compared with Quebec. I have the greatest respect for all provinces. I have never raised the question of the differences between provinces in this committee. I believe in the principle of the old Cornish battle-cry, "all for each and each for all."

May I refer to table 7, which was printed in *Hansard*? Regardless of what appears in that table in my opinion a battle royal has been going on here. The number missing, 300,000, has been referred to, and has been going up and down. It puts me in mind of the lost tribes of the children of Israel. We started census-taking away back in 1871 and it has been continued from that day on. The Canadian people are not mathematically minded. We have never been able to count the total number of people in this country, or where they came from. I know in one census half of one of the districts that I formerly represented in this house was left out altogether. Mistakes like that are made in counts all the time.

My comment is not against the present minister's department. I am trying to justify the necessity of utilizing all the money that has been spent on the census, registration cards, by the wartime prices and trade board, the plebisicite, and all other bodies, and coordinate it all to give Canadians the real facts. We should harmonize all the different counts and checks that have been made on man-power in this country since the war started. Where is all this information, and why is it not used? I was in the house before this department was created. I have raised the point before. I believe that each municipality should be entitled to know how many soldiers went to the front from that municipality. Men of the city from which I come

have enlisted as far away as Vancouver and Victoria, and the city gets no credit for it. It does not want any credit, of course, except for helping to win the war. This is not a political matter; far from it. I have never tried to obtain any political advantage from it; I think that is a very poor argument at the present time, because as far as I can see the officials are doing their best along the lines I have suggested. But we are back to conditions similar to those of 1066, when the Domesday book was drawn up, in the time of William the Conqueror. They counted the number of doctors, the number of workers, artisans, pigs, and all the rest of it, and put them down in that book. Now, in the fifth year of this war, all this money has been spent and we are not getting the results we should. We had several gentlemen use the radio in order further to becloud the situation, and others have done the same thing. I have read *Hansard* for the last few days, and this present debate reminds me of the battle of Dundee. I am not very good in the Scottish language, but according to the history books some say we won, some say they won and some say nobody won.

Surely there could be no objection to giving the figures of enlistments by provinces, by religions and all that sort of thing. It is done in the United States and in England and it is done here in connection with enlistments. When a man signs his attestation paper he says whether he is a Baptist, a Presbyterian, a member of the United Church or whatever he may be. The heads of some of these bodies have written me in this connection. As far as table 7 goes. I believe something should be done to harmonize that table with the various figures obtained through the registrations, the monthly pamphlets, the plebiscite, and so on. It may take a long time to do that. Only two or three years ago the present acting Prime Minister said he was changing the system followed in the records office in order to be able to give some of this information. When the war is over, each municipality will have to know how many enlisted from it in order that it may help the government in the post-war problems. I have had many municipalities of the province from which I come write me in connection with this matter, saying that from the records they cannot tell where their men are scattered, what has become of them or anything else.

Mr. ROSE: The estimates now before the committee are among the most important to be considered by this house, because whatever the Labour department does affects the morale of a large section of the population of Canada. It also affects the relationship betweeen various classes in the country, and the whole structure of national unity necessary both for victory and for a stable post-war period. Unfortunately I find that labour problems have been rather sidetracked in favour of a discussion of missing people, and the press have taken up this matter and made it a key problem. This house has become practically a missing persons bureau, with people wanting to find out exactly how many have not reported for military service. It has become a battle over figures. I hold no brief for men who do not report for army service, but I rather detect an attempt to slur the province of Quebec in this connection, and I say that is unworthy. Whom should we blame for the fact that certain people do not report? All parties in the past have carried on an agitation in Quebec, stating that our young men would not have to go to war.

Mr. LALONDE: They never said they should not go to war.

Mr. ROSE: No; that they would not have to go.

Mr. LALONDE: Speak for yourself, then.

Mr. ROSE: It is true just the same. The hon. member for Charlevoix-Saguenay some time ago quoted extensively from the press of Quebec to prove that the anti-war agitation in that province had been carried on by all parties. I agree with that.

I noticed that apparently very few hon. members of this house took any notice of the figures in regard to the number of men in the province of Quebec who are not fit for military service. I believe that is something about which we should think. In the city of Montreal only thirty per cent of the men were in category A, while in Toronto the figure was 49·6 per cent. In Kingston it was 49·2 per cent, while in the city of Quebec it was 30·6 per cent. Then let us look at those in category E. In Toronto the percentage was 21·1, while in Montreal it was 30·6. I believe this is something which should interest every hon. member. What are we going to do to change that situation as far as the people of my province are concerned? It is disgraceful that such a high percentage should be unfit for military service. These figures tell a story closely connected with the problems of labour, wages and working conditions, with which I want to deal.

I should say that the lengthy report of the Minister of Labour was slightly complacent. It is true that at the present time the department has a much better name in the ranks of organized labour—and I am not speaking in an abstract sense, since I am in daily contact with people connected with the trade union move-

ment—than it enjoyed some time ago. There has been a change for the better in the actions taken by the department and the government in regard to labour problems, and for that I want to congratulate both the government and the department; but I should say much more needs to be done in order to bring about the necessary changes. Because I want to see these changes and improvements brought about I intend to deal much more critically with the labour problem than the minister has dealt with it.

I do not know whether or not it is an accident, but the words "trade union" appear only once in the very lengthy report made by the minister. Why? Surely the trade unions have done their share in this war effort. They have shown their willingness; they have even fought to have themselves accepted as an equal partner in it. Trade unions are among the most powerful of democratic institutions. In Great Britain and the United States they are given much more recognition than they receive in this country.

At one point in his speech the minister informed the house that in December, 1943, gainfully employed persons numbered an all-time high of 4,288,000. Prior to that he told the house that in 1943, 1,944,026 placements were made by our employment service offices. In fact he quoted those figures with pride. I would say there should be more than pride; there must be something radically wrong when we have so high a turnover in one year. Out of more than 4,000,000 workers we find nearly 2,000,000 are placed in one year. Why the turnover? Why do certain people leave industry? There must be a reason. Maybe it is low wages; maybe it is working conditions; but certainly it is something for us to go into. We must find the reasons for and a solution to the problem.

The minister rightfully speaks with satisfaction about wartime labour relations regulations, and particularly P.C. 1003. I fully agree that P.C. 1003 is a great improvement on previous labour legislation; but we all must admit that it came too late. It was introduced only in the fifth year of the war. Had it come sooner perhaps we would not have had a situation in respect of which the minister had to report to the house 400 strikes and lockouts in one year, involving 218,404 workers, and causing a loss of 1,041,198 work days. I believe strikes should not take place at this critical stage of the war, and organized labour takes the same stand. But the absence of legislation in the past, and even certain deficiencies in the present legislation, added to provocation on the part of certain employers—and I wish to make clear that I do not include all employers—have forced workers to go out on strike. Certain employers still insist upon fighting trade unionism, and that fight very often leads to provocation through which workers are forced to go out on strike.

Because a labour code is so important to industrial peace, to uninterrupted production and to the post-war period, I would point to certain weaknesses in P.C. 1003. First, it is too limited in its application. In that connection I would quote the opinion of Mr. J. L. Cohen, former member of the national war labour board, and a man who, I would consider, is an authority on labour problems. This is what he says:

> It is a matter of regret, certainly surprise, that the dominion government did not legislate at least to cover all employment directly, or indirectly, connected with the war effort. Certainly their war-time constitutional authority goes that far. This is exemplified by the fact that the wage control order governs all employment whether war industry or otherwise. The constitutional authority of the federal government as to the scope or coverage of the labour relations order is as broad as, and not one bit narrower than, the jurisdiction it has already exercised in respect to wage control.

No, it is not broad enough. For instance, it does not take in one very important key industry in Quebec, namely the textile industry. In that connection the minister told us:

> The primary textile industry received special attention. An officer was loaned to the industry to survey the mills and to direct the recruiting campaign for labour.

This evidently shows that the government considers the industry an essential one—but not essential enough to be brought under P.C. 1003. It is this failure on the part of the government to put the textile industry under that order in council that makes it possible for some employers to make a football out of the very just grievances of the textile workers. Now some of the textile magnates say, "We will solve this problem in Quebec." And they will try to solve it, of course, in the same way they have solved it up to the present time, whereby the wages in the textile industry are a disgrace to the country.

Let us see what the wages are. According to a bulletin from the Department of Trade and Commerce, males operating in cotton yarn and cloth earn $17.62 a week in Quebec, and those in Ontario earn $21.61. Females in Quebec earn $12.06 a week, and in Ontario they earn $15.44. I would say there is no justification for such differential—no justification at all. French-Canadians work in textile plants in Montreal, while other French-

Canadians work in similar plants at Cornwall. Why should those employed in the Quebec plants receive less than those employed in Ontario?

We are told, of course, that wages have to be low, because of competition. I have before me a report in the Montreal *Gazette* of a speech delivered by Mr. E. C. Fox, President of Canadian Cottons Limited, on March 8, 1944, in which he says:

> If Canada is going to have a high standard of living, then she cannot expect her manufacturing industries to compete on level terms with countries of lower living standards.

By that he means that wages have to be kept very low if we are to be able to compete. That sort of attitude has to be changed. It is the kind of attitude which is not going to bring us a prosperous post-war period.

Then, what about competition from the United States? Before preparing my notes I had before me a file showing wages paid in textile mills at New Bedford, Massachusetts. There are many French Canadians down there, people who left their own province because they could get much more in wages than they could get here. They had a forty-hour week—although recently there has been a change to a forty-eight hour week. However they receive overtime for anything over the forty hours.

What other competition are we looking to? What about the far east—Japan? Oh, no; the world in the post-war period must never return to coolie wages. That is no reason for lower wages in Quebec. Not only are the wages low in the textile industry in our province, but an examination of the 1941 census showing average earnings in Quebec and Ontario for wage earners showed the following:

	Average male income	Average female income
Quebec	$ 922	$429
Ontario	1,119	577

The figures for Ontario are low enough, but there is no reason in the world why they should be even lower in Quebec. I found that there were 603,312 male wage earners and 211,315 female wage earners in Quebec. If they had got the same wages as were paid in Ontario our income would have been $159,000,000 higher than it was. That would have meant a lot to the people of Quebec, and had they received that money perhaps we would not have found so high a percentage of people who were unacceptable to the army. That is something to think about for the future. Many people ask: How will you increase buying power? This is one very simple way of increasing the buying power of the people.

P.C. 1003 opens the door to company unions, and the unions will not be satisfied until they feel that company unions have been banned once and for all. I have before me an article which appeared in the *Financial Post* in reference to P.C. 1003, and which states:

> Consistent with our democratic way of life—

It is peculiar how people can play with phrases.

> —independent employees' associations are recognized and protected under the regulations.

I do not believe company unions have anything in common with the democratic way of life. And no one can tell me or anyone who has been in the labour movement for any length of time that a company union is something which the workers cry for as a baby cries for castoria; it is something imposed upon them. P.C. 1003 permits lockouts in industries where there is no collective agreement. In the same article in the *Financial Post* we read:

> An employer is only restrained from locking out his employees if there is a collective agreement in force.

If there is not, he has the right to lock out his employees.

Mr. MITCHELL: You are just quoting the opinion of an individual. It is like all your other stuff—just quotations from what somebody else has said.

Mr. ROSE: I read this through, and I am sorry to have to say that I agree with quite a number of the things I find in this article.

Mr. MITCHELL: My hon. friend claims to speak as a trade unionist. I should like to tell him that this order in council has the approval of the parent bodies of the largest labour organizations in Canada. I know the hon. member intends to send this speech back home, and I hope he will forgive me for interrupting. There is a definite penalty provided in the code for the fostering of company unions or what my hon. friend refers to as company unions. The mere fact that the *Financial Post* says a thing does not mean that it is true. This order is being administered by a board made up equally of men nominated by labour and by employers' organizations. I do not think my hon. friend speaks for the trade union movement in this country.

Mr. ROSE: I have not considered myself as speaking for the trade union movement of this country, I am too modest for that.

Mr. MITCHELL: Any more than you spoke for the Canadian people in 1941.

Mr. ROSE: That is all right; there is no sense in getting hot under the collar about it. I congratulated the minister; I said it was an improvement on what we had before. I believe that an hon. member has the right to point out certain weaknesses. In the past we have had a long struggle for improvement and we have got improvement, but I think I have the right to point out certain weaknesses which exist. The interpretation given in the order to employees' organizations is too broad. I would say that it could include company unions.

There is the question of certification which I should like the minister to explain. Would it not be possible to arrange that in all factories where there are collective agreements there shall be automatic certification? That would avoid going through this procedure which can lead to confusion and which may be taken advantage of by certain employers. These are a few of the things I want to say about order 1003.

Then there is the problem of labour-management relations. I am afraid that here I shall have to be more critical than I have been about order 1003. The other day I received a booklet pointing out what labour-management committees have done in the United States and in Great Britain, but it could not say much about labour-management relations in Canada. We are in the fifth year of the war and there should be many labour-management committees throughout this country. We have heard a lot of talk about them, but there has been no move by the government to help organize these committees.

This affects not only production, which is important, but also lay-offs. I am not saying that lay-offs may not be necessary when changes in production are made, because they are. Because of war conditions a plant making one thing to-day may be asked to make another thing to-morrow. A shift in production must be made and a labour-management committee could discuss the problem. The workers would feel that they had been consulted and perhaps would be ready to go somewhere else if that were necessary.

Surely labour and management can get together to discuss ways and means of using their equipment for post-war production. They should be able to work out what they can produce instead of cannon and tanks. Labour people also have brains and they should have a chance to make proposals. That is why I say we should follow the example of other united nations. In Great Britain there are 4,000 committees in the metal industry alone, and they have done wonders. In the United States many committees have been set up, but we have very little of that in Canada. Something more than pamphlets is needed here. It should be the task of this committee which has been reorganized to go to town in helping in the organization of these labour-management committees.

Before sitting down I should like to say a few words to which some hon. members may take exception. I think they should be said in fairness to the people of the city of Montreal, the people of the province of Quebec and the people of all Canada. In saying what I intend to say I do not want to minimize in any way the heroic efforts of the men in the armed forces and the tough job they are doing. I refer to the remarks of the hon. member for Greenwood (Mr. Massey), who is reported on page 2455 of *Hansard* as follows:

> In the last three or four weeks I have seen, I frankly admit, only three Canadian cities, Montreal, Ottawa and Toronto, but what I have seen in those cities is to me as alarming as it is tragic. If I may generalize from these local observations I would say that Canada at the moment is not so much a nation motivated by a full-out war effort, but is on the other hand, it would seem, in many ways a nation enjoying the greatest prosperity in its history. These days appear to me to be as gilded and as giddy as those of 1929.

I think that is an unjust statement to make about the people of Montreal. Many people in Montreal live away from St. Catherine street and the centre of the city. Had the hon. member gone to see some of the huge war plants where men and women, young and old, work under conditions which are not the easiest; had he visited a night shift and seen men working who in some cases had not seen their families for days; had he visited a shell-filling plant or one of the acid-mixing rooms and seen people working under the most difficult of conditions; had he known how the people had subscribed to war loans, how they were living in poor homes, how they were giving their blood and doing everything they could, he would have arrived at a different conclusion.

Yes, the workers may drink a little more beer or whisky; for an extra glass of beer is appreciated by the working man after a hard day's work. But that by no means indicates prosperity. There is far from prosperity in Montreal at the present time, and I think the hon. gentleman should have lectured some of the members of his own party, especially a new recruit who had been given an honourable job under the government where as chairman of the national labour board he could have done something for

labour. He was in a responsible position. But he left that job. He did not put victory first. He left the job and went into politics. We hear a lot of sermons and preaching, and the trouble is that we too often apply them to the other fellow instead of to ourselves.

I did not want to make these remarks, but I was in Montreal over the week-end and I know that quite a number of people were insulted by the remarks that were made. The workers of this country are willing to do everything to help the war effort, and with the improvements that have already been made—I said that at the beginning and I want to emphasize it—and with the further improvements that will be made in the Department of Labour as they become recognized as necessary, we the workers will make our full contribution to victory and towards solving the post-war problems.

Mr. DIEFENBAKER: Mr. Chairman, I rise to a question of privilege in connection with a statement made in the house by the hon. member for Charlevoix-Saguenay as reported at page 2588 of *Hansard,* where he quoted a statement made by M. Paré, registrar of military district F. M. Paré's statement was as follows:

It is absolutely untrue that, in Quebec district, only 9,000 out of 460,000 "callable" men have been called up, as was alleged by Mr. John B. Diefenbaker, Progressive Conservative member for Lake Centre. In the first place, in our district, there are but 180,000 "callable" men, not 460,000.

The statement arises by reason of a misapprehension of the words that I used and their removal from the context. I never said that 460,000 "callable" men were in Quebec district F. I never said that only 9,000 men out of 460,000 "callable" men in Quebec district F were called up for service. What I did say is to be found at page 2497 of *Hansard,* and I feel that any misapprehension caused by failure to read the entire paragraph should now be removed. What I said was:

The number called for medical examination to January 31, 1944, was 1,449,417.

Then I paused to remark that I was not referring to call-ups for service at all but to call-ups for medical examination. I went on:

In other words, 469,942 have been called up for medical examination since June 23, 1943—

Mr. Hanson (York-Sunbury): To January.

Mr. Diefenbaker: Up to the 31st of January, as the hon. member for York-Sunbury says. Here is how they called them up. They called up a total from the various military districts of the number I have given. In Quebec military district, division F, they called up 8·6 per cent of the total population, or, in that period of time, only 8,724 out of some 460,000 men.

[Mr. Rose.]

My remarks were removed from their context. The 460,000 men referred, in round figures to the 469,942 called up for medical examination throughout Canada since June 23, 1943. What I said had no reference to call-ups for military service. The call-ups referred to there were the call-ups for medical examination.

Mr. HANSELL: I should like to say a word or two about conscientious objectors; but before doing so, in view of an observation that was made the other day, may I ask the Minister of Labour one question in order that I may understand just what the regulations are? Is any difference made in the treatment of conscientious objectors who are Doukhobors and conscientious objectors who belong to other religious faiths?

Mr. MITCHELL: No.

Mr. HANSELL: I am afraid then I am seriously confused. I understood that conscientious objectors who were Doukhobors were given some little confinement in camps, sometimes in the Rocky mountains, which some members have described as a nice little holiday, but that conscientious objectors belonging to other religious beliefs were sent to other camps for some considerable time, and in fact were not released. The minister can correct me if I am wrong. In anything I have to say in this connection I do not want the minister to think I am harshly criticizing his department or his administration. I know the Labour department is one department that has perhaps a good deal of grievance because it is dealing with the public, with the working people of our country, and I appreciate the minister's difficulties and want to help him if I can. I am not going to criticize him severely.

May I say, now that I am speaking on behalf of conscientious objectors, that I am not a conscientious objector myself. I take the stand that if a country is worth living in everybody should plunge in and fight for it if the necessity arises. I have not very much sympathy with conscientious objectors. Nevertheless, I feel that someone needs to come to their rescue and present their case, because I believe they have a case. Let us analyse it for a moment.

If the principle of imprisonment and the consequent putting into work camps of conscientious objectors is adopted, it seems to me that the principle should apply to all conscientious objectors. But as a matter of fact it does not. It applies only to those who come within a certain call-up range. If they are within that age range and are called up for service and refuse to come they are

prosecuted, and, if convicted, are ultimately sent to prison or to some work camp. But if one is a conscientious objector and does not come within that age group, no notice is taken of him even though he is a conscientious objector. I make that observation because I believe there is a real principle involved.

A conscientious objector is one who objects on religious grounds, and I believe that generally speaking religious people are good living people. I do not think anyone will deny that. There may be the odd one whom somebody knows something about, but generally speaking religious people with high ideals are good living people and good citizens. The conscientious objector, however, is penalized for being conscientious. There is a vital principle there. He is penalized for having certain convictions. Now one thing we need in a strong Canadian citizenship is people with strong convictions, even though they may differ in their convictions. These people are not penalized for robbing or for stealing something or because they are lawbreakers in the sense of coming under the criminal code, but they are punished—I say punished because that is what it amounts to—or penalized, simply because they have religious convictions and refuse to kill. That is true.

Therefore the principle on which the government is working with respect to conscientious objectors is wrong. The government could treat these people in a fair manner, compatible with their convictions, by giving them some work such as farming or in munitions factories or in some place where they could fit into the general war scheme, while overcoming that element which is described as conscientious objection.

It might be said that if this were done many people might claim to be conscientious objectors.

Mr. MITCHELL: We are doing what my hon. friend is suggesting.

Mr. HANSELL: I am glad to hear the minister say that. I should like him to comment a little on some correspondence I have had. If that is what the government are doing, I wonder how long these particular regulations have been in effect. Since I have taken some interest in this matter I have received reams of correspondence from one end of the country to the other. I am going to read a few of the observations contained in some of these letters. This is a little different from what the minister has informed me. This is with respect to the treatment given to dependents of these men. I am willing to table the letters or give the names of these people; I do not suppose they mind at all.

Here is a letter from a Mrs. Alphonse Vaillancourt of Timmins:

Dear sir: The reason why I am writing to you is due to the fact that my husband has lately been convicted like some of the worst criminals just because he does not want to disobey his Heavenly Father, which would mean to him eternal destruction.

There is nothing to be alarmed at in that statement. These people are religiously conscientious about what they do. The letter goes on:

It may be all right that we get a little relief, but nothing to clothe ourselves with. As it is, my husband is working very hard; he should be paid good wages, but what he gets is 50 cents a day and he has to clothe himself with that. I have experience of how much it costs for clothes to work in the bush, so that what he gets is not too much for himself. I want to remind you that we have three children and they are poorly clothed, so is myself. While he was with me he at least saw to it that we could get the principal things. Would you be kind enough to try and help him.

I do not know whether these people think I am the minister. That is one letter. Here is a letter from Mrs. Ernest Jutras of Kirkland Lake, who says that there is no allowance for herself and family, and she explains certain things her husband would not do on account of his religious beliefs. Then she goes on:

By taking such a stand toward Almighty God, he was prosecuted and sentenced to gaol after which term he was escorted to Chalk River (by an order of the court). There he works in the bush, where he receives only $15 a month to pay for his clothing and personal expenses.

At the present time I have a young baby which is five months old. Due to the lack of necessities, he has been sick for more than two months, and is now seriously ill. I have tried (but in vain) to get support from the authorities, causing me to descend to mendicancy.

You can readily realize the position that I am in. There is much seriousness attached to this, and I ask for your fair consideration and assistance.

Here is another from Mrs. McKnight of Timmins:

Because of our Christian beliefs, in this democratic country are my child and I to starve? My friends are tired of keeping me in groceries and rent, and I am unable to go out to work.

Here is another from a Mrs. Lane of London, Ontario:

I have since December been left without any means of support, due to the fact that my husband Mr. Gordon Lane has been classed by the government as a conscientious objector and sent to the Petawawa forest experimental station at Chalk River.

In the past two years I have undergone two serious operations and it is almost impossible

for me to do sufficient to support my family, not to mention outstanding doctor's bills, et cetera.

Most of the ready cash I had went to buy warm clothing to outfit my husband, as none was supplied to him, and this leaves me in a rather critical position.

These are some of the letters I have received and I have no doubt the minister has received a good many more than I have. I suggest that at least when these men are picked up in what we like to regard as a Christian democracy we should not penalize their wives and children. We are penalizing them for their religion. It would not be so bad if they were troublesome criminals and lawbreakers, but I do not think they are.

I would ask the minister to give some consideration to really helping the wives and dependents of these men who are picked up. It is not enough to put that on to the Red Cross by some little agreements which have been made. The fact of the matter is that we are spending billions of dollars on the war. What would a few paltry dollars mean to help out the dependents of these conscientious objectors? The position is that these men have convictions. Generally speaking I do not find the complaint that they do not want to go to goal or do not want to be interned. As a matter of fact a man does not mind going to gaol for his honest convictions. I do not think I would care a button whether they put me in gaol or not if I had honest, Christian convictions. So far as that goes I would not care if they shot me. But the complaint and the principle involved are that the dependents of these conscientious objectors are penalized to the point of destitution and almost starvation.

I believe that the government would benefit themselves by embarking on a principle whereby they would feed and clothe adequately for the time necessary these unfortunate women and children. What would be the result? Let me put myself in their position. I would say this: "Well, my husband was put in gaol because of his religious convictions, but there is one thing I can say for the government, namely, they were certainly Christian in their attitude toward me." That would be the position I would take if I were the unfortunate wife or the dependent, if the government treated me properly. I do not believe the country would lose anything; I do not believe the government would lose anything by seeing that these people are adequately provided for.

I should like the minister to make some comment on that, but before he does, may I touch on another matter? The minister knows about the case to which I am about to refer. I wrote to him about it and he answered kindly. I refer now to the case of Dietrich Remple, a conscientious objector, who had been working for a certain farmer in my constituency in the province of Alberta. They took him away from Alberta, I suppose because his home was in Saskatchewan. He came under the Saskatchewan authorities, and the result is that while this farmer wants to employ this man he cannot do so because the man must remain either in Saskatchewan or in the camp at Seebee, or something like that. I may not have full knowledge on that part of it. Would it not satisfy all concerned if conscientious objectors were taken up, examined and perhaps put in gaol for a time—I do not know that I favour that—and if the authorities are convinced that the man, though being a conscientious objector, is still a reputable citizen, would there be anything wrong with his being able to go to the place of his choice? I know that the particular farmer to whom I referred is well pleased with this particular man's work. He says he has worked for him before. He says:

I knew he had conscientious convictions along that line, but he caused me no trouble. He was a good worker. He kept himself to himself and did not bother anybody at all.

Yet, in this case, that farmer is unable to employ the man whom he wants. I wonder if something could not be done in cases such as that? Once again may I ask the minister if he could not readjust the regulations governing these conscientious objectors so that at least their dependents are well provided for? I plead for consideration for the unfortunate women and children, who are the victims, and willing victims too, of what can be termed the conscientious convictions of men who want to do right!

Mr. MITCHELL: I wish to thank my hon. friend for the manner in which he has approached this problem of conscientious objectors. I think, as he indicated, he will agree with me that it is a difficult one. Like himself I believe people have to fight to win the war. What these people fail to remember is that if it were not for people who are prepared to fight the powers of aggression and dictatorship there could not be any conscientious objectors. They would just have to do what they were told. We would have that kind of government and my hon. friend and I would have to do what we were told. I think that is fundamental.

It must be remembered that we are dealing with one particular brand of religious people, namely, Jehovah's Witnesses. It is very difficult to deal with them. May I say this in a kindly way? Many of the letters that

are received in my department are of an emotional character like the people themselves. The steps taken in dealing with conscientious objectors are comparatively simple. A man comes before the board, and if the board decides that that man is a genuine conscientious objector it is just a question of moving him into alternative service. But these people who go to gaol—and rightly so, in my judgment—will not even go to alternative service. Therefore, what we have to do is to prosecute them as we would have to do with a person who for some reason or another will not comply with the regulations governing those people who are conscientious objectors.

I do not think the condition of conscientious objectors is as bad as those letters would indicate. I think my hon. friend lives in a rural community. You can walk up and down a country road and you will find the same kind of land on each side of the road; the sun shines the same way and there is the same amount of rainfall; but here you see a good farm; the next farm may not be quite as good, and the third one may be much worse. The third farmer may be like ten per cent of the people that one meets in every walk of life.

Mr. HANSELL: All farmers are good.

Mr. MITCHELL: I know they are, but you get my point. May I say very frankly that my department treats these people, whether they be Japanese prisoners of war or conscientious objectors, in a humane way and I contradict any statement in opposition to that. With regard to the people my hon. friend speaks about, we are closing down the camps; we are moving them as far as we can into agriculture, except that we are keeping skeleton crews in certain camps for the people who will not comply with the law.

With reference to the maintenance of the wives and children of conscientious objectors I would say that they are treated just as fairly as the men in the fighting forces. Where the family is large enough there is no deduction from the monthly rate of wages. In the case of the single man any amount over $25 a month goes to the Red Cross. Where there is a family and where it is warranted no money is payable to any organization; it all goes to the dependents of the conscientious objectors concerned. In addition to that, arrangements have been made with the provinces where need is shown, as indicated—and I am not suggesting my hon. friend is not correct in his statement—to be correct, the province in which that family resides will take care of those people and we bear all the expense. The reason for doing it in that way is to decentralize it. I am a firm believer in decentralization. I think the people of Alberta know their own problems far better than I do, particularly those of a very personal nature.

The other matter mentioned by my hon. friend was the case of the man who wanted to work in Alberta but who, unfortunately, came from Saskatchewan. I am not like Solomon; I would not cut this man in two. There is a shortage of farm labour in Saskatchewan, so that that division of my department decided that the man should work in the province of his origin. That is all there is to it. I hope I have answered all my hon. friend's questions.

Mr. HANSELL: I think so, but I do feel that some further consideration could be given to the question of the maintenance of these wives and children, and I hope the minister will do his very best in this regard. Are these cases dealt with individually, on their merits?

Mr. MITCHELL: Oh, absolutely.

Mr. HANSELL: Some cases must be more deserving than others.

Mr. MITCHELL: As soon as we took over the conscientious objectors we set up special offices in all military divisions in Canada to deal with nothing else. In addition, we have a division of the Department of Labour here at headquarters which is continually in touch with these men in the field.

Mr. HANSELL: I mean with respect to the dependents.

Mr. MITCHELL: Oh, yes. We do not deal with these people en masse; we deal with them as individuals.

Mr. NOSEWORTHY: How long has this arrangement with the province been in effect?

Mr. MITCHELL: Three months.

Mr. WHITE: When the Department of Labour receives a requisition from national defence for 12,000 men, we will say, to be called up, how is this number divided between the different administrative divisions across Canada? How do they decide how many are to be called from the Halifax district, how many from the Kingston district, how many from the Vancouver district and so on? Do they take into consideration the number of men who have enlisted voluntarily, the number already called up, whether it is an industrial district or a farming community, and matters of that kind?

Then I should like the minister to answer the question I asked on Monday, as to whether he would be good enough to place upon *Hansard* a table which would give a complete picture of the men who have been called up, to some particular date in 1944, in order that we might bring some order out of the confusion that now exists in reference to this loss of 300,000 men. I should like the minister to say whether this table could be placed upon *Hansard* while his estimates are before the committee, so that hon. members may have an opportunity to examine it and compare it with the various returns already brought down, and then make any further comments they may wish.

Finally I should like to ask the minister what further steps, if any, his department intends to take in order to locate the very large number of men who are missing. In his reply to the remarks of the hon. member for Lake Centre on Monday the minister outlined in a brief and sketchy way the procedure followed at present, but I think the committee is entitled to some further information as to whether the minister intends to take any additional action to locate and prosecute these missing men. One has only to pick up any daily newspaper to read of prosecutions conducted by the wartime prices and trade board in connection with food, gasoline, rentals and so on, as a result of which citizens have been fined perhaps hundreds of dollars for minor infractions of some of the thousands of regulations which have been passed by this government. Compare that with the situation under the minister's department, in which we have thousands of young men disobeying the law with apparently very little being done about it. I should like the minister to tell the committee what cooperation he receives from the Department of Justice and what their view is in regard to this flagrant flouting of the law by these young men, and in that connection whether the minister feels he is now doing everything that can be done to locate them. If he is not satisfied with what is being done at present, what steps does he propose to take?

Mr. MITCHELL: I have tried to memorize all the questions asked by my hon. friend, but if I should pass over any of them, I hope he will forgive me and bring them to my attention. The first point he raised was, I think, how we make the call-ups, whether or not they are staggered in the various districts; I thinks that was the import of his question. As I pointed out the other day, we are scraping the bottom of the barrel in this country as far as man-power is concerned. I think I indicated to the committee that we had to call six men to get one into the armed forces. The direction is given all the military districts in Canada. There is no quota; they call them up as fast as the medical boards and other machinery can handle them. It is a straight call-up; we have got away from the idea of allotment.

Mr. WHITE: Do I understand, then, that as soon as a class of young men become eighteen and a half years of age they are automatically called up, all of them?

Mr. MITCHELL: They are cleaned up in the first few days of the month.

Mr. WHITE: How many young men become of military age each year?

Mr. MITCHELL: Approximately 100,000.

Mr. WHITE: Would that not more than take care of all the requirements?

Mr. MITCHELL: My hon. friend must remember that the majority of young men volunteer. In addition, there are students, those on the farms, those who are physically unfit, and so on. The hon. gentleman asked me for one figure; now he asks for a break-down, which it is pretty difficult to give off-hand. That is the situation. Many volunteer; many are unfit; many go on to school and many are postponed because they are farmers' sons, or on compassionate grounds, and things like that. With reference to the figures my hon. friend asked for, I did direct the officers of my department to get those figures, but I think if the hon. gentleman studied table No. 7 he would find a break-down of the man-power pool in this country. I cannot promise that I shall be able to get the figures he wants before my estimates are through, but I suggest that if he would use that table rather than a multitude of tables from which different deductions may be drawn, which have confused the thinking of some people, he will get most of the information for which he is looking.

Then the hon. gentleman asked if we were doing everything possible to trace those men who should report for military training. I would say, without fear of successful contradiction, that we are doing everything physically possible to trace those people who should comply with the law. I do not know whether I can say more than that. If my hon. friend has other suggestions to make I would be glad to listen to them.

Mr. WHITE: After practising law for twenty years in Ontario I know that if anybody in this province commits any offence the police never have any difficulty in locating that person; and it seems to me very strange that, according to the minister's own figures,

there could be at least 49,000 men roaming around the country, men who have committed a breach of the law and who cannot be located. I may say in passing that the figure 49,000 is open to dispute. Surely, with the machinery in the minister's department, along with the machinery of the Department of Justice, something could be done about this matter.

May I refer to what the minister said about table No. 7 which he filed on Friday. This table is prepared on a basis different from that used when the ten or twelve returns were prepared and filed; and it is impossible to use table No. 7 as a comparison, or to get the information one is seeking, when he compares this table with the returns which have been filed. I would especially ask the minister to bring down a new return which would follow the manner in which the other returns were made.

For instance, I would point out to the minister that table No. 7 does not give the total number of men available. It does not tell how many were called up. It does not tell how many refused to report. It does not tell how many did not report after medical examination. I do not think we can have any clear picture, unless the minister will bring down a table having reference to one particular date in 1944, so that we may compare that table with these ten or twelve returns. Will the minister bring down such a table?

Mr. MITCHELL: I will not get into an argument about this table. The hon. member knows what he wants the table for, and I know what the table is for. This is a basic table compiled by the department. The hon. member said that we do not know how many men are available. I would direct his attention to table No. 7, where it says, "Not yet sent order, military training, 619." That is the figure for London, and the figures are given for Kingston and other districts. However, if my hon. friend wishes to have the figures I will try to get them.

Mr. WHITE: I must confess I cannot understand the table. Would the minister tell me, from the table, how many men out of the 1,665,504 refused, neglected or failed to report for medical examination? How can one get that information from the table?

Mr. MITCHELL: The contention of those who prepared the report is that there are 49,000 people we cannot trace.

Mr. WHITE: Please explain how you get it from this table?

Mr. MITCHELL: There is the figure, right in the tabie.

Mr. WHITE: Where?

Mr. MITCHELL: Under the heading "not accounted for"; that is all.

Mr. WHITE: That is just the point; one cannot take this table and compare it with the other returns because, as pointed out the other day by the hon. member for Lake Centre—Monday, I believe it was—it is shown in one return that there are at least 300,000 who did not report. However, I am quite willing to leave the matter the way it is, if the minister has agreed to bring down the table as I have suggested.

Mr. MITCHELL: I want to be cooperative with my hon. friend, but he thinks in one direction, while some other hon. members try to reach another conclusion, and some others are trying to reach another. We all come back to the figure of 49,000. The hon. member for Lake Centre went off the track when he got so many returns to prove a certain point that he got mixed up in the maze of his own figures—and I say that in a kindly way.

Mr. WHITE: The return would clear that up.

Mr. MITCHELL: My hon. friend may be the only man in Canada who thinks so; that is the difficulty. I want to be cooperative, but—

Mr. WHITE: If there has been any confusion it has been due to the minister's department—

Mr. MITCHELL: No, no.

Mr. WHITE: —because his department has followed a certain procedure in bringing down various returns, in which certain information has been set out. But now in his department, for some reason known only to those who prepared what is known as table No. 7, a different procedure is followed. Whether it is to conceal or to mystify, I cannot say. Apparently the minister has decided that table No. 7 was a better way of setting out the information than the method followed by his department in the past four years. I do not disagree with the table, because I cannot check it.

Mr. MITCHELL: Just to get the record straight, may I say that civil servants do not get out tables to conceal. I did not get the table out; I gave directions to have it prepared. Let us be clear on that point. What the hon. member has said is a reflection on the people who acted under my direction. They do not do those things. We had to have

a standard of approach to this matter. The hon. member speaks of certain returns. In those returns we gave members what they asked for; we have always endeavoured to do that.

There were probably a dozen different approaches to the man-power problem in a general way. We are not responsible for those approaches. The hon. member who asks the question is responsible, and that is how hon. members get mixed up. We cannot have a dozen different approaches to the problem. We have to have an absolute approach, one which must be based on the best information we can obtain. That is how table No. 7 comes about. I think it is a simple table; I can understand it, and I think if I can understand it every member in the house can understand it.

Mr. WHITE: The minister has agreed to bring down a table in the way I want it, and I am prepared to wait.

Mr. ROY: A certain group of people seem to be worried about the question as to whether or not we have conscription in Canada. That matter was discussed only a few minutes ago when the hon. member for Macleod referred to conscientious objectors who, because of their refusal to answer the military call-up, have been placed in gaol. That would seem to be a sign that there must be some kind of compulsory law in Canada compelling men to serve in the army.

There are other signs of conscription, too. In my constituency many farmers and fishermen have been called up, and have been under arms for four years. Others, too, under the national selective service branch have been granted postponements. In the past, some draftees in the army were granted deferment, or leave of absence. But for a while many have been refused by national selective service or, rather, by headquarters at Ottawa.

It was stated properly only a few moments ago by the hon. member for Temiscouata that the Department of Labour is the agency of the Department of National Defence. I should like to learn from the Minister of Labour which branch it is that refuses applications for leave filed by men who have asked permission to help their fathers to fish. Is it the headquarters of national defence, or is it the headquarters of the Minister of Labour to which reference is made?

Mr. MITCHELL: When a man gets in the army it is a case of "abandon all hope ye who enter here." He is no longer under my jurisdiction; he is in the army. An application for leave must be made to his commanding officer. At this moment there are 2,317 fishermen on postponement from the army.

Mr. ROY: Why should national selective service, which is under the Department of Labour, have a board sitting in Quebec city, which is military district No. 5, to consider these requests for leave? This board rules upon these requests, and I emphasize that it is a board under the Minister of Labour. According to what has been told me, this board is unable to reach a decision because it does not seem to know that the fishing industry is essential to our war effort. We know that it is, to the first degree. Requests for leave are sent to headquarters at Ottawa, and we do not know what headquarters they mean. It would appear that the Department of Labour, through this national selective service board, is able to grant leave to a soldier who is in the army. That is contradictory to what the minister has just said.

Mr. MITCHELL: I thought I made that clear to my hon. friend. The impression I get is that he is jumping from one thing to another. National selective service cannot grant leave from the army; get that clear. A man makes application to his commanding officer, who may refer it for an opinion to a national selective service board. He may do that, but he does not have to. The board gives an opinion; it does not make a recommendation. As I pointed out on Tuesday, sometimes a man may not want to go home. His parents may want him back home, but, as has happened on numerous occasions, the boy wants to stay in the army. Quite often that causes some difficulty. Parents may write to my hon. friend requesting that a boy be given leave to come home again, but, as I say, in many instances these boys have told their commanding officer that they do not want to go, that they want to remain in the army. Once a boy is in the army he makes his application for leave to his commanding officer, not to me or to any organization under my jurisdiction.

Mr. ROY: That may be, but there is a point I do not understand.

Mr. MITCHELL: I just told you.

Mr. ROY: The minister just stated that when a soldier asks for leave it is up to his commanding officer to recommend or refuse it. I should like to know how a national selective service board proceeds to judge whether that man is essential to a war industry. That is one thing I cannot understand.

As I said at the outset of my remarks there seems to be some doubt as to whether we have conscription in this country. However, there would seem to be signs that we have conscription. A few days ago the Minister of National Defence made a statement in the house to be found on page 2383 of *Hansard*. He said:

> It was thought highly advisable that the army should do its duty with regard to the raising and maintaining of the volunteer army overseas of which Canada is exceedingly proud; and I have not heard anyone in this house or anywhere else suggest that the volunteer army was not a desirable thing. I have indicated repeatedly that I prefer a voluntary army, and I think most Canadians will agree with me. In that connection the army has its duty to maintain, if it can, that volunteer army; and for that purpose the army has engaged in recruiting activities for the last three years.

We have that statement by the Minister of National Defence which is bound to give the impression that we have no conscription in this country.

The CHAIRMAN: I would point out to the hon. member for Gaspe that we are not discussing the question of conscription. The discussion should be confined to the item before the committee.

Mr. ROY: I will abide as closely as possible to your ruling. The reason why I got away from the item was that I heard a lot about conscription and the calling of draftees since this debate started. People are wondering whether we have conscription, and that is why I referred to the statement of the Minister of National Defence. Men are called up by the Department of Labour.

Mr. MACDONALD (Halifax): The Minister of National Defence was speaking about conscription for overseas service when he stated his preference for a volunteer army; he was not referring to call-ups for Canada.

Mr. ROY: In answer to the parliamentary assistant to the Minister of National Defence I would say that there is only one law which empowers the government to call up men. It does not say that it is for Canada. I think we can take it in a general way—

Mr. MITCHELL: I rise to a point of order. I think I have been pretty patient as I have been sitting here for four days. If my hon. friends are going to start a debate on conscription—

Mr. ROY: Not exactly.

Mr. MITCHELL: My hon. friend says, "not exactly," but I know the kind of speeches he is making in the eastern part of Quebec.

Mr. ROY: The minister does not know the kind of speeches I am making in Quebec. I have not made any on that question at all.

Mr. MITCHELL: The hon. member is the first one who has not. I think we should stay strictly within the rules of order. Let us be sensible about this thing. We have a large legislative programme before us; yet we are in the fourth month of the session and the war appropriations are not concluded. I suppose next week we shall have a long debate on the Bank Act. Let us be rational and sensible men about this thing. We have spent four days on one item. I am not objecting, provided we stay within the item, but for goodness sake let us stay within the rules of order.

Mr. ROY: I will try to keep within the item, but I should like to ask the minister a precise question and I hope it will be possible for him to give a categorical and definite answer. If we have no conscription, why is the minister calling up men to serve under arms at the rate of 9,000 a month or approximately 100,000 a year?

Mr. MITCHELL: Who said that we are calling up men at the rate of 9,000 a month?

Mr. ROY: It was in a report tabled a few days ago. I am sorry; I should have said 5,000 a month.

Mr. MITCHELL: Only fifty per cent out.

Mr. ROY: Hon. Leon Casgrain, attorney-general in Premier Godbout's cabinet, declared in the Quebec legislature a few days ago that we have no conscription in Canada, and similar declarations are being made all over the country, that we have a volunteer army, and this and that. I ask the Minister of Labour this question: If we have not conscription, why is he calling up men at the rate of 5,000 a month? Let me quote from part 1 of "Instructions to Employers and their Male Employees." It says—

Mr. MITCHELL: My hon. friend is a member of this House of Commons, and he knows that those regulations were prepared under my direction. There is no secret about them. My hon. friend went to school like myself, and I suppose he looks at the dictionary occasionally. Yet he insists on asking me simple questions. I do not know officially what a member of the Quebec legislature said the other day; I did not read about it. My hon. friend has asked me a hypothetical question, a question of a character on which I am not even clear myself. I do not know just what he is driving at. If he has any

question to ask of my department for information I shall be glad to give it, but I cannot give him a lift in his efforts out in the country, back at the little red schoolhouse.

Mr. ROY: I apologize for not knowing the language of the minister very well, Mr. Chairman. Perhaps that is why he does not understand me. I will try to be so clear that he will understand me. I was going to quote from part 1 of his "Instructions to Employers and their Male Employees". To be brief, I shall quote only the latter part of paragraph 1, which defines "employer":

> The dominion government, the governments of the provinces, as well as municipal institutions are employers for this purpose. The term "employer" includes also any farmer operating a farm, who has working for him a male employee, even though such employee be a son or other relative.

My question is this: If we have no conscription in Canada, why are men called up to serve under arms in Canada by the Department of Labour? My question is: Have we conscription in Canada, yes or no?

Mr. MITCHELL: I will tell my hon. friend what we have. We have the military call-up for the defence of this country. If my hon. friend wants to call that conscription, that is his business, not mine. If it is any advantage to him politically to use that language, he is entitled to it. But this is still a free country because men have the courage to go out and defend it.

As to the other point my hon. friend raised, I know that a big play has been made over that in certain parts of this country. The hon. member for Lake Centre and the hon. member for Hastings-Peterborough spoke of the men we have not traced yet. It is in our effort to trace these men that we have laid down the principle that before a man can be employed he must show some credentials, either that he was discharged from the army, the navy or the air force, or that his call-up for military service has been postponed. There is nothing wrong about that. If I may speak personally for a moment, both my sons are in the fighting forces. I have raised my children to tell the truth and obey the law, and I know what I would do when the instructions to employers from which my hon. friend has quoted came to my attention. I would say, "Son, have you got your clearance?" Would that not be the natural thing for any father or mother to say to their children? It is just as simple as that. To suggest that this is the most despicable thing there ever was—I read that language the other day—just does not add up, and my hon. friend knows it. If he wants to know the attitude of the Minister of Labour I will repeat what I said this afternoon, that it is my duty to trace these missing men, and this is one of the simple procedures we have adopted in an endeavour to trace them. The hon. member for Hastings-Peterborough was complaining that we did not have enough machinery or that it was not as good as it should be. But the procedure from which my hon. friend quoted was adopted by us in an endeavour to locate these men. We laid down the rule that before a man can get a job or retain his employment he has to be able to show some document from the armed forces or from some other organization proving that he has complied with the law with respect to the military call-up.

Mr. ROY: I suppose that is because we have conscription? The minister has not yet answered my question.

Mr. MITCHELL: My hon. friend is not going to ram his sixteenth century opinions down my throat. Let that be clearly understood. He is not going to put that kind of language in my mouth, not while I can stand on two feet. He may get away with that kind of language in other places, but not here, in the presence of his peers. This is still a free country, thank God, and it is a free country because our young men from every province in Canada are prepared to defend our institutions, which we have had handed down to us after much bloodshed and struggle. I have been to countries where you do as you are told or you do not live. I hope never to see the day when that will be the way of life in Canada. Let us be clear about this: If we do not defeat this man Hitler in Europe; if we do not defeat this other chap in the Pacific, there will be no House of Commons in Canada. There will be no languages, no religion, no racial culture in this country at all. I was in Berlin when Hitler put over his revolution. I saw it happen, and there was no more commotion on the main street of Berlin than there is on Sparks street to-day. Germany had the most powerful labour and trades union movements, and only yesterday, you might say, they were running that vast country. To-day they are not even a memory. Unless we destroy this tyranny everything that my hon. friend and I hold dear will be swept by the board. Let him go out and preach that gospel to the people whom he represents.

At six o'clock the committee took recess.

After Recess

The committee resumed at 8 o'clock.

Mr. DORION: I should like to ask the minister a few questions, but before doing so I wish to say that we are not here to receive any lessons in loyalty, because for my part my military record of 1918 in the Royal Air Force compares with that of anybody else. I think it is much better to discuss the subject on its merits. I have P.C. 1355 with regard to the national selective service mobilization regulations 1944, dated March 4, 1944, section 6, subsection 1 of which reads:

> The minister, upon being informed by the Department of National Defence that a specified number of men are required for military training, may instruct any registrar to apply these regulations to a specified number of men from his division, and may inform a registrar how many French-speaking men are required.

My first question is, why is this proviso made regarding French-speaking men called to the army? On April 20, as appears at page 2177 of *Hansard* I asked this question:

> Has the Minister of Labour given instructions to registrars under order P.C. 1355, section 6, subsection 1?

The one I have just read.

> If so, (a) to whom; (b) at what date; (c) what were those instructions?

The answer given by the parliamentary assistant to the minister (Mr. Martin) was:

> No. The Minister of Labour has not found it necessary to act under section 6, subsection 1, or order P.C. 1355.

Mr. MITCHELL: That answer given by the parliamentary assistant stands; it is not changed.

Mr. DORION: I wish to ask another question. I have here sessional paper 142G tabled on Thursday, April 27, 1944. It came after a question I asked, which read:

> Has the Minister of National Defence, since the 4th March, 1944, reported to the Minister of Labour that a definite number of men were required for military training? If so, (a) at what date was this information supplied; and (b) what did such information contain?

The return shows that in April and May, 1944, 292 men were called daily in April and 236 men were called daily in May.

My second question is: If the answer given on April 20 is right, in virtue of what regulation were these men called, as shown in this return tabled on April 27, 1944? This return, 142G, shows that in April men were called as follows, daily: for the district of London, 17; Toronto, 48; Kingston, 22. That makes a total of 87 in Ontario. In Quebec: Montreal, 55; Quebec, 31. That gives a total of 86. In May, men were called as follows, daily: London, 14; Toronto, 39; Kingston, 18. That is a total of 71. Montreal 44; Quebec, 25. That is a total of 69 for the province of Quebec. In another answer that was given me, as will be seen at page 2375 of *Hansard*, it will be noted that the military district of Kingston, district No. 3, comprises counties in the province of Ontario and in the province of Quebec, and the figures given show that the population of the district of Kingston in the province of Ontario is 753,863, the total population according to the 1941 census, and the counties of the province of Quebec in the district of Kingston give a population of 183,125. That is, about twenty per cent of the total population of the military district of Kingston, come from the province of Quebec.

If we take the figures I have just mentioned and deduct this twenty per cent from the military district of Kingston, coming from the province of Quebec, we get a figure of eighty-three men called daily in the province of Ontario during the month of April and sixty-seven in the province of Ontario called daily during the month of May; and in Quebec we get a figure of ninety men called daily in the month of April and seventy-two called daily in the month of May. That is, a proportion of thirty-one per cent in the province of Quebec and twenty-eight per cent in the province of Ontario. I mean that these are the percentages of the men called to the army. I have here a booklet called "Canada 1944" and certain figures are given at page 53. We see the total population of the dominion in each province, and it shows that between the ages of nineteen and forty-five there are in the province of Quebec 612,396 men, while in the province of Ontario there are 736,486; that is to say, a proportion in Ontario, in relation to the total population of the dominion of the same age, of thirty-five per cent, and twenty-eight per cent in the province of Quebec; I mean the proportion of men of the same age in the dominion. We come to the conclusion that in the province of Quebec we have twenty-eight per cent of the men between the ages of nineteen and forty-five, and the return I have mentioned shows that in April and May there were called thirty-one per cent of these men, while in Ontario there were called only twenty-eight per cent.

My third question is this: Why is the number of men called in the province of Quebec greater than the number called in the province of Ontario?

My fourth and last question is this: Is it not true that during the last war not a single

man called to the services under the conscription law reached the battlefields of Europe, and that to-day we have many men overseas who, before going there, were called to the army under the mobilization act of 1940?

Mr. MITCHELL: I will answer the last question first. As my hon. friend knows, many men who are called up eventually volunteer. That is the natural thing for young people to do who have some regard for their country. I think that is the answer to that question. What my hon. friend has been trying to point out to the committee is that you can break down patriotism of this country on a percentage basis. It cannot be done. I know it is probably convenient at times. My hon. friend spoke of the province of Ontario. If he will look more closely into the question he will find that our call-ups do not always coincide with military districts. Take as an instance that great patriotic district—if I may use that term—of Port Arthur and Fort William. They come within the purview of the military district centred on Winnipeg, which my hon. friend overlooked. He spoke of military district No. 3, based on Kingston. It does not go across the Quebec border. While the military district goes up the Gatineau and north of this community, it does not come within the jurisdiction of Kingston; it comes within the jurisdiction of Montreal. My hon. friend is making the same mistake—

Mr. DORION: May I ask a question?

Mr. MITCHELL: The hon. member told his own story and made his own deductions to suit his own convenience. As I pointed out before, my hon. friend is trying to work out the patriotism of this country on a percentage basis and apparently by what he thought previously he has not his facts right. He talked about Ontario, but he forgot about that great northern part of the province which comes within the jurisdiction—and quite naturally—of the mobilization board of the city of Winnipeg, because it is more convenient.

As I pointed out before, we call up people at the present time as fast as the various military districts can handle them. There is no quota. We are all Canadians, whether we come from British Columbia or Nova Scotia, or wherever the case may be. What my hon. friend tried to do was to break them up into compartments. He is trying to label us all as different Canadians. In our approach to the problem we say there are so many men that we require, and as fast as the medical officers and other officers that are necessary can handle the men in the military districts they are called up. That is the simple answer to my hon. friend's question.

[Mr. Dorion.]

Mr. GREEN: There are three or four questions in connection with national selective service that I should like to place before the minister. My first question has to do with the sources from which he proposes to draw man-power from now on. I thought he did not make that quite clear in his original statement. He used these words, which are to be found at page 2444 of *Hansard:*

> Even with the utmost effort, it has been increasingly difficult for some time to obtain the number of men required by the Department of National Defence each month.

This afternoon he stated that we are scraping the bottom of the man-power pool. I think these statements disclose a very serious situation. I suggest that we are entitled to know just how the government proposes to meet that situation. The minister said in the course of his summary on April 28:

> . . . that we will soon have to rely largely upon those at present deferred and the young men coming of age.

He has said here to-day that there are about 100,000 young men who reach the age of eighteen and a half each year in Canada; and then he said, and I think quite properly, that a large proportion of that number either will be going active, joining the navy or the air force, or will be found unfit for military service or will be deferred because they are farmers or for various other reasons. I ask him to tell us how many he plans to get during the present fiscal year from the eighteen and a half year old group, and then give us information regarding the other source which was given as those men who are now on postponement. He should tell us what particular type of man will be called up. That is only fair to the young men who will be affected.

At page 2453 of *Hansard* hon. members will find table No. 10, which gives the details with regard to the men on postponement. The total number is 252,625. They are divided into ten different groups. I wish the minister would tell us which group or groups will be called upon to make up the necessary number for the call-up. The first group listed is farming, and the number 145,529; the next is fishing, numbering 2,317; the third is lumbering, 5,382; the fourth is mining, 2,562; the fifth group, essential industries and services, 52,341; the sixth group, students, 14,497; the seventh group, conscientious objectors, 8,285; the eighth group, merchant marine, 2,729; the ninth group, compassionate, 2,443, and the tenth group, all others, 16,540. I should like to know from which of these classifications the men will be drawn. The minister will realize that many of these men who are on postponement are older men; they are not

in the younger groups, and probably the number that can be drawn from the whole 250,000 is comparatively small. I would also ask the minister to state whether the government has in mind calling up the lads as they become eighteen rather than at eighteen and a half. I would not want to be taken as advocating that that should be done. I think actually it would be a crime to call up those young lads while we still have in our home defence forces in Canada 50,000 fully trained men not fighting, who could, if the government saw fit, be sent to fight overseas. I ask the minister to tell us what the policy is with regard to the eighteen year olds. As I understand it now, they are liable to call, but they do not actually get a notice to report for medical examination until they reach the age of eighteen and a half years. Then I ask the minister to tell us the next source from which he plans to get the men; that is, after the supply of young men who become eighteen and a half years old has become exhausted, and all men on postponement have been used up; what sources does the government plan to draw from at that time?

Mr. MITCHELL: I wish the hon. member would ask me these questions individually. If I miss any I shall be glad to answer them later. I shall take the last one first, the question of calling boys eighteen years of age. I cannot tell what the future may hold in store for the free peoples of the world. At this moment there is no intention of calling boys eighteen years of age. I do not know what may happen during the course of the next twelve months, but I would point out to my hon. friend that in the United States young men of eighteen are called and that in Great Britain the callable age is seventeen years and six months.

Mr. GREEN: But neither of those countries has a home defence army.

Mr. MITCHELL: I am talking about calling up people, no matter what kind of army it is. My hon. friend asks who compose the manpower pool. First, there are the men coming of age, the 100,000 a year whom I mentioned this afternoon; then there are the men on postponement, and in addition we are continually reexamining those men who have been turned down, particularly by individual physicians. At this moment, and for some considerable time past, we have what I might call a staff of industrial engineers combing the industrial structure of this country for able-bodied men for the armed forces. That is going on continuously. As I pointed out a couple of days ago, in order to get one man we have to call up six.

Mr. GREEN: According to the return you are trying to get five thousand a month now.

Mr. MITCHELL: I am not talking about figures; any fool can figure.

Mr. GREEN: It was a fool in the department who gave this figure.

Mr. MITCHELL: What I am concerned about is getting men for the armed forces. You give me a man with a stack of figures, and look out. Figuring is the easiest thing to do.

Mr. GREEN: I do not want the minister to be in error on this. I referred to the return requested by the hon. member for Charlevoix-Saguenay, which stated that the army had called upon the Department of Labour for 5,000 men during each of the months of April and May.

Mr. MITCHELL: I was talking about figures; so many people can play around with them. As I indicated to my hon. friend, we have to call six to get one, which is an indication that we are just about at the bottom of the barrel. As I stated the other evening, I could put 160,000 men at work to-morrow if I had them; that is, for the essential industries of this country. Does that not indicate that we have just about reached the saturation point, if I may call it that, in connection with production and men for the armed forces? After all is said and done, we are dealing with a continent, not a nation. If we had 160,000 men out of work it would be a reflection upon the Canadian people. But here we have the largest fighting force in our history; we have built an industrial structure which, on a per capita basis, equals or surpasses that of any other nation in the world; with much less labour available, our farmers have produced the greatest crops in their history. All these things are to the credit of the Canadian people. This is a democracy, where we have to be more or less cautious about pushing people around. The fact that we have reached that point is an indication that this nation—not this government, but this nation—is not only pulling its fair weight in this war, but pulling a load equal to that of anyone else engaged in the war, and in my judgment that is a condition of which the opposition, the government and the country might feel rightfully proud. I do not know whether I can say anything more.

Mr. GREEN: The minister has made quite a speech, but as yet he has not answered either question. I asked how many men the minister expects to get from the lads who will become eighteen and a half years of age during the present fiscal year. The other question which he has not answered was, from which class of

deferred men will he call the remainder who are required? Will it be from the farmers, from the miners, from the loggers or from the men who are working in industry? I am not asking that information for myself, but I think the men who will be called should know what they may expect, and surely the government knows which of these groups of deferred men will be called.

Mr. DUPUIS: The first group to be called should be the imperialists, if they are willing to go.

Mr. GREEN: They would be the first group to go.

Mr. MITCHELL: Of course I do not know the physical condition of these young men or of the other people who will be called, so that any figure I give will have to be a guess; but we estimate that about 50,000 of those 100,000 will be in the armed forces, while the rest will come from the other classifications.

Mr. GREEN: Is there any policy as to which of these deferred groups will be called? In other words, is it the intention to call upon the farmers who have been deferred, or upon the miners, or upon the men in industry?

Mr. MITCHELL: I do not know. I am very close to this problem; I live with it every day in the week, and my personal opinion is that we cannot deplete the manpower on the farms of this country. Notwithstanding the opinions of armchair critics, three things are basically necessary in a war. The first is sleep—I am not talking about the House of Commons now, but about the men who are fighting—the next is food and the next is equipment. These are the three fundamental needs. I know that many times during the last war I was so tired I wished a bullet would come the right way, and I am sure my hon. friend has felt the same way; that was why I put sleep first. I do not think we can take any more people from the farms of this country and hope to meet our obligations to those people in Europe who are in dire need of foodstuffs in order to carry on the fight against the enemy.

Mr. GREEN: Then may we take it as probable that the group to be called first will be the men who are in essential industries and services?

Mr. MITCHELL: I think so, on a basis of priority.

Mr. GREEN: They are given as numbering about 52,000?

Mr. MITCHELL: Yes.

Mr. GREEN: Then has the minister given any thought to where the men would come from after that source has been exhausted?

Mr. MITCHELL: I think when we are through with essential industry we are at the end of the road, except for those just coming of age. I do not want to inject the theme of conscription into this debate, but I consider it fair to say that without conscription this country is as well organized as any country on the side of the united nations. Let us be clear about that.

Mr. GREEN: It is the only country that does not have conscription.

Mr. MITCHELL: I do not want to discuss the principle to-night; we discussed it long enough two or three sessions ago, but that is what the figures would indicate. Any place we can find a man we will go after him, but you have to keep men in the basic industries. You cannot fight a war without steel or nickel or copper or lead or zinc.

Mr. JAQUES: What about gold?

Mr. MITCHELL: I shall leave my Social Credit friends to talk about gold. I am not a fanatic in regard to gold, but we may be thankful for the gold we have when this war is over. However, we are watching the situation very closely, to keep within the framework of democracy and to keep the balance equally divided between the requirements of the industrial, agricultural and commercial structures and the fighting forces. In a big way I think I can say we have been reasonably successful.

Mr. GREEN: Then am I fair when I say that at the present time there is no policy with regard to what source will be tapped after the men who are on deferment have been used up?

Mr. MITCHELL: I am not going to admit that; I am not going to allow my hon. friend to go throughout the country and say we have no policy.

Mr. GREEN: If the minister can explain it, that is all I ask.

Mr. MITCHELL: I would say that this is a day-to-day problem, and the administrative board of selective service meets regularly to survey conditions. In the light of changed conditions we alter our policy on the distribution of men and women between the armed

forces on the one hand, and the industrial, agricultural and commercial structure of the country on the other.

Mr. GREEN: That is a very indefinite policy.

Mr. MITCHELL: No, it is not indefinite.

Mr. GREEN: Perhaps that is as far as the minister can go.

Mr. MITCHELL: If my hon. friend were sitting where I am sitting he would not say that is an indefinite policy.

Mr. GREEN: I might be worse.

Mr. MITCHELL: That may be true, too. Last session we heard a great deal about the man-power muddle. Not long ago I was in the United States, and some people over there are talking about a muddle in that country. Under free institutions, such talk is inevitable, because there is a right to criticize the government. Up to now, however, free institutions have proven more successful than dictatorships, because under that type of government every man goes where he is told, or does not live. When one sees the results of free institutions, the number of aeroplanes in the skies to-day, and the number of ships at sea, he has confidence in those institutions.

Mr. GREEN: We all agree with that.

Mr. MITCHELL: You get my point. I wish I could get it over to some other people in the house. Despite what is believed to be confusion, with our ingenuity we are going to free those people in Europe and in the Pacific—and make no mistake about it.

Mr. GREEN: I have a further question respecting the calling up of aliens. In the national selective service mobilization regulations provision is made for what are known as non-declarant aliens. I understand that it does not apply to enemy aliens. If the non-declarant alien does not choose to answer the call or to join the forces of Canada, he may make a declaration which appears in the schedule to the regulations, and contains the following, among other paragraphs:

> I make this declaration with full knowledge and understanding that I am thereby deprived forever of all rights and privileges to be naturalized in Canada as a British subject, and that I thereby become liable to deportation from Canada whenever such deportation may be practicable.

I presume the aliens who would come under that provision would be, for example, Swedish people, Turks and Spaniards, because another section provides for nationals of the united nations. Will the minister tell us what the experience of the department has been with respect to the calling of aliens, and in connection with their taking this particular declaration? I did not know, in fact, that there was authority to take a declaration of that type. How is the authority derived, and approximately how many men of each nationality have been affected by these provisions?

Mr. MITCHELL: We have had no great difficulty. Some of them sign the declaration for deportation after the war—and I do not see why that should not be.

Mr. GREEN: I am not questioning that. But under what authority is it done?

Mr. MITCHELL: Under the authority the hon. member has just read.

Mr. GREEN: Where do we get the authority for a provision such as that?

Mr. MITCHELL: Under the War Measures Act.

Mr. GREEN: Can the minister tell us approximately the number of aliens called up under this regulation?

Mr. MITCHELL: My opinion is that when they get into the army we lose track of them, and they are good Canadians.

Mr. GREEN: Has the minister the figures?

Mr. MITCHELL: There are 9,867 who have signed the declaration that they are prepared to be deported after the war. I hope I am Minister of Labour then.

Mr. GREEN: What is done with these men? What sort of work are they put at?

Mr. MITCHELL: They are subject to compulsory transfer. They come under the civilian regulations of selective service.

Mr. GREEN: Can the minister tell us of what nationalities they are? I had no idea there would be that number who would take the declaration. That is nearly 10,000 who have asked that they be sent out after the war, rather than serve.

Mr. MITCHELL: I cannot break it down into nationalities.

Mr. GREEN: Has the minister the list of nationalities, or can it be obtained?

Mr. MITCHELL: If you give us enough time, after the session is over.

Mr. GREEN: Well, that is long enough.

My next question has to do with men wanting to go to the United States to work. On the Pacific coast that has become an important question. There has been a rumour with respect to lay-offs, although, fortunately, there have not been many so far. As a result,

however, quite a number of men have been anxious to go to work in the United States. I understand in practically all cases permits have been refused. What is the government's policy in connection with such applications, and is the policy applied in the same way in all provinces? Are men from certain provinces allowed to go across, while others from other provinces are kept in Canada?

Mr. MITCHELL: There is no differentiation between provinces. The man in that category has two hurdles to jump, the military and the civilian; and I would say that the civilian hurdle is probably more rigid than the military. It is only common sense that, in view of the tremendous amount of man-power required at the present time, the number of permits to go to the United States is very small. The guiding principle is health.

Mr. GREEN: They are allowed to go only for reasons of health?

Mr. MITCHELL: I can assure my hon. friend that exit permits are rigidly controlled. Very few are permitted to go to the United States, in view of the extreme importance of man-power in Canada.

Mr. GREEN: Then, for all practical purposes, the government policy is that of prohibiting anybody going across to work in the United States?

Mr. MITCHELL: That is correct.

Mr. GREEN: And this final question: I understand there have been seven compulsory transfer orders issued. The minister said the other day that there had been about 15,359 transfers. Is it the intention to issue any further compulsory transfer orders?

Mr. MITCHELL: I would say yes. And I would add that while 15,000 is not a very large figure in the man-power pool, yet it is an indication that nearly everyone in this country is in the place where he or she should be. I believe that is a fair observation to make. As the position gets tighter, we are insisting upon compulsory transfers. May I pay tribute to the Canadian people for the manner in which they have accepted the principle of compulsory transfer. There have been very few complaints about it.

Mr. GREEN: Is the minister free to give us particulars of the further compulsory transfer orders that are expected?

Mr. MITCHELL: Much as I should like to, I cannot do that. I may have opinions of my own. However, it is the keystone of selective service policy to have nothing done affecting the lives of the people of this country without first having consultation with the national selective service advisory board, composed of representatives of various departments, including the Department of Labour and representatives of the fighting services and of employers and labour. We never set in motion any policy unless it is approved by that body. I hope we never shall—although we may have to; one cannot tell.

Mrs. NIELSEN: Mr. Chairman, before this item passes I should like to discuss briefly some questions which come under the jurisdiction of the Department of Labour and which are of special concern to women. I make no excuse for holding up this item while these matters are being discussed. Perhaps one of these days, instead of just having women sitting in the galleries of this chamber, we shall have dozens of them occupying benches here, and then I hope that the problems of women will be more adequately discussed than I can possibly discuss them alone. But there are certain matters which I feel should be brought before the minister for his consideration.

When the minister was introducing his estimates he gave the latest figures of the employment of women in industry, and they were really astounding. He told the committee that it was estimated that on October 1, 1943, no fewer than 1,075,000 women were gainfully employed in Canada as compared with only 638,000 in August, 1939. We all realize the tremendous number of women, both English and French speaking, who have taken their places in industry because of the war. Most of these women had no previous industrial experience, yet they are filling places which it was thought that women could never fill in our gun factories, shipyards, steel mills and other industries.

I understand that to-day women are performing over seventy per cent of the operations necessary in the manufacture of machine guns, and more than eighty per cent of those working in the instrument factories are women. We have heard of the large number of people who have left the farms and of the women who have replaced them. According to the minister's figures this number is 750,000. I should like to say something about women working on farms, but that is not the matter with which I want to deal to-night. I intend to refer more particularly to those who are working in industry.

It has been recognized by employers in this country that wherever it is a question of dexterity or accuracy or patience or pride in work, women are not second to men. They become good trade union members too, once they understand the democratic functions of

trade unionism. I have spoken to large numbers of women who recently have been enlisted in trade unions, and I found them enthusiastic about the necessary work of trade unions and the carrying out of democratic procedure within their shops and work places.

Not only do the women in our armed services not receive equal pay for equal work, but all women in employment have suffered this liability. I am not the first to raise this question, nor is this the first time I have raised it. It has been brought up in this chamber by other hon. members. I want hon. members to realize that in urging the government to make it the law of the land that there shall be equal pay for equal work, to accept this principle, I do so not only to protect women but to protect the employment of men as well. If employers find that they can employ women to do work just as efficiently as men and pay them less, we shall find, when the war is over, that perhaps they will use these women as a reservoir of cheap labour and thus deny our working men opportunities for employment. I bring this to the attention of the committee because I believe many hon. members are already aware that, since this principle has not been embodied in our statute books, this discrimination exists in a great majority of our industries.

This principle has been acknowledged by the great trade union groups of this country. They have asked that it be embodied in our labour code. We have had a ruling of the national war labour board on this issue, and I should like to quote from the Montreal *Gazette* of March 15. Decisions in two cases had been given by the board, and this paper had this to say:

> The national war labour board in decisions given to-day went on record supporting equal pay for equal work for men and women on a basis of efficiency.
>
> Dealing with appeals involving two Niagara district companies—the Electric Metallurgical Company of Welland, Ontario, and Welland Chemical Company of Port Robinson, Ontario.

And later on:

> Mr. Justice C. P. McTague, giving a unanimous decision by the board, said that wage control regulations made no distinction between male and female workers. The principle of equal pay for equal production was not dealt with in orders in council and the board felt the time had come when it should declare its policy.
>
> Equality of pay should be based on efficiency and support of the principle did not necesistate a general revision of pay to all female workers, but only to those on jobs similar to those held by men.

In the United States it has been the policy of the war labour board to accept the principle of equal pay for equal work. I urge strongly upon the minister that he recognize the necessity of having in our labour code definite authority whereby employers will be forced to put this principle into effect. I endeavoured to get some information about this matter of equal pay for equal work. Hon. members may remember that I placed a question upon the order paper a while ago. I asked if, from the material collected by the war labour board, figures could be given with regard to the number of larger industries in this country that were giving equal pay for equal work. The parliamentary assistant to the minister stated that he would try to get this information for me, but he assured me that it would take at least six months and would cost a tremendous amount of money. For that reason I was willing to drop the question for the time being. However, I would ask the minister to try to get from his officials statistics which will give us some idea of how far employers in Canada are accepting the principle of equal pay for equal work.

The government is not giving a lead in this matter in its own contracts. In government contracts, where the government itself is an employer, there is no provision for equal wages to women who are doing the same work as men. I understand that under P.C. 7679 covering government contracts women may be paid twenty-five cents an hour, while men receive thirty-five cents an hour. If the government recognizes the principle of equal pay for equal work it should put it into effect in its own contracts.

I think I am correct when I say that women to-day are doing a tremendously difficult job in taking care of their own homes and families to the best of their ability in addition to helping in the war production of this country. But they are wondering what their position will be when the war is over. They are wondering about their right to continue to work. This concerns not only industrial workers but professional women and women in other groupings. They want to know what attitude the government will take. Are the government and our employers going to say to these women, "Well, girls, you have done a nice job; you looked very cute in your overalls and we appreciate what you have done for us; but just run along; go home; we can get along without you very nicely." Is that the attitude that will be taken, or shall we realize that the prosperity of Canada after the war will depend upon our ability to develop our natural resources, to maintain our industrial development, to

expand our national income and to give employment to all those, whether they be men or women, who can help to add to the general progress of this country?

We should rid ourselves of the old Victorian idea or perhaps the idea that we had in the depression years that women, when they want to work in industry and elsewhere, are usurpers in taking men's places. Women would like to have a definite understanding that this government recognizes they have a place to fill in the years of peace just as they had a place to fill in the years of war. As regards all those young women who are doing war work, those in the armed services and in industry, young girls finishing school and soon to become young women, I do not think I would be incorrect if I say that their one great hope and desire is that very natural desire to marry, to have a home and children. That is the foremost hope of all young women, provided, of course, they have some idea that their home will not be a slum or a tenement, and provided they have a fair justification for believing that if they have a little family they can bring up their children with health, pleasure, and a certain degree of education. But there is this, too, to remember. Canada has not yet paid the price for freedom. Before this war is over we may have lost part of a generation of our young men. There may be thousands of young Canadian women who, having worked during the war to help win the victory, may be engaged to a boy overseas, and there are young women who hope to marry some boy now overseas. But many of them may be denied the privilege, the natural right of all women, to have a home, a husband and children. We must not forget these things.

I can remember that during the last war I had a sister, quite a few years my senior, who was married to a man fighting in the armed services of England. He was killed in the month of the armistice. My sister had her first and only child one month after her husband died, and I have often wondered in the long years since who paid the greatest price, who made the greatest sacrifice, whether it was the man who died or the woman who went on living.

At least we as a nation can guarantee to our women the right to live, work and make a home for themselves if they are not in a position to have the advantages which would naturally be theirs by marriage and a home and children of their own.

We must also realize that during the war many women have developed skills and a knowledge which they did not have before the war. They will feel, having developed a certain degree of skill, frustrated if they are no longer able to give of their skill and use it in the interests of their country and in the interests of their own living and building for themselves a better and happier home. There are these women to consider.

[Mrs. Nielsen.]

There are also the women to consider whose husbands may come back from the war disabled, with a pension, of course, we hope; but these women will nevertheless feel that if they can go out to work they can greatly add to the finances of the home and to the opportunities they can provide for their children and their children's education.

These various things women are thinking about, and they are wondering to what degree the government of this country is going to safeguard their rights in having the opportunity to work without being regarded as usurpers of men's places. They also want to know whether the government will guarantee to them the right to have equal pay for equal work. Some hon. members may have read the report of the subcommittee of the government's committee on reconstruction which had to deal with women's problems in the post-war world. I should like to quote briefly from a summary of the findings of the committee because, after a considerable period and quite a little research work with respect to women who are working, the committee arrived at some very decided conclusions.

The subcommittee expresses the following opinions:

1. To women in each group—

That is, whether they happen to be industrial workers, professional workers or workers in some other lines.

—the right to choose what occupation she will follow must be conceded as a right to which every citizen is entitled. She must also have the right to equality of remuneration, working conditions, and opportunity for advancement.

We believe that the right to choose is not going to operate to make every woman, or even much larger groups of women want to leave their homes for the labour market. It is the right to choose which is demanded. Happier homes, and, therefore, a happier democracy, will result from the recognition that women choose or do not choose marriage as their vocation. It must be remembered that for many single women marriage will be an impossibility because of the casualties of the war.

Many women in all three groups will find their situations changed in the post-war years. A large proportion of the women now working, both married and single, have been earning money for the first time, or the first time since marriage. They have gained an entirely new realization of their skills and capacities. Many will return gladly to home life. Others will feel a sense of frustration if they have not the opportunity to exercise these abilities. For some public activities will serve, others will wish to be gainfully employed.

For those women who want to continue working, facilities which have been developed during the war should be continued and expanded. For example, war-time day nurseries should be continued on a peace-time basis. The subcommittee to the advisory committee on reconstruction suggests that day nurseries should not only be used for the children of working mothers, but should be developed as nursery schools and should become part of the educational system. The subcommittee lists their advantages to the children as follows:

(1) Supervised play.
(2) Space and adequate play equipment.
(3) Companionship.
(4) Consistent routine.
(5) Careful supervision of health.

I would suggest that there are women already who are working who do not come within the provisions of the various forms of insurance which are given to men. Women teachers and women nurses do not come under the employment insurance benefits which are open to men and I feel that a grave injustice is done to these women in that regard.

For those women who feel that they have not the ability or the education or the skill or the liking for other occupations, there is of course a very large demand that they should work at domestic service. But there again, in that field of women's work, I believe we have to do a great deal to make it attractive to them and to safeguard them. A little while ago I received an interesting letter from a young woman, who addressed her letter from the Y.W.C.A. in Edmonton, Alberta. It was a well written letter, such as would indicate that the writer was an intelligent and well educated girl. I should like to read the first two paragraphs of her letter:

Two or three of us who are in domestic work here are hoping to work up some interest in a union for domestics. We should greatly appreciate your advice.

I have been interested in this work for a number of years, though I have not been able to work at it steadily. I have been working for some months as cook general at the home of Lieutenant-Governor J. C. Bowen and lost my position a few days ago immediately on their becoming aware of my union activities. I was given no notice.

That is not perhaps indicative of the usual way in which capable and good domestic servants are used by their employers, but it indicates that there is no protection in a case such as this for a young woman who has loyally and faithfully served her employer as a domestic servant, and who yet expresses the desire to belong to a union of her choice to protect her rights.

These women wish to protect their rights, hours of labour, pay, the length of time they should be given by way of notice before leaving employment, and so on. I would say there is great need that we should protect women in domestic service. The committee to which I referred a little while ago, the subcommittee of the government's committee on reconstruction, has the following to say regarding the employment of women as domestic servants and in household work:

(1) A standard of proficiency should be set by a training programme financed by the dominion and provincial governments. The cost of training should be borne by the government, but the student should carry her own living expenses with the help—if necessary—of government loans at low interest rates.

(2) A signed agreement made between employer and employee, made through national selective service, would protect both by providing a definite statement regarding wages, termination of employment and other working conditions. Any dominion or provincial labour code should include household workers.

(3) Labour legislation should be amended to include household workers under the minimum wage acts and related legislation.

(4) Occupational branches of social insurance should be open to household workers, that is, unemployment insurance, workmen's compensation.

(5) An organized supply of trained part-time workers should be made available to fill the need for various types of household service. This kind of service is particularly required in homes of moderate income where it is impossible for the housewife wth several children to have full-time assistance.

I realize that the women of this country have not as yet formulated their wishes with regard to these particular problems, but I noticed in the Montreal *Gazette*, in March of this year that the women of Australia had been far ahead of their Canadian sisters in working out for themselves a certain code embodying their wishes and desires and the demands for which women in Australia will consistently fight until they are successful. I should like to commend the women of Australia for the progressive steps they have taken, and I only wish the women of Canada would see the wisdom of themselves doing something along the same line. From the Montreal *Gazette* of March 22 I quote the following:

An Australian women's conference here prepared a women's charter which they managed to compress into a mere 5,000 words, but it took them a long time to do it. Further compressed, here it is:

Woman as citizen: No discrimination in respect of the responsibilities and rights of men and women as citizens.

Mother and homemaker: The indispensable service rendered to the community by mothers demands special consideration of fullest maternity services, nursery schools and opportunity for creative work; and, as dependent economic status denies liberty, opportunity and justice to the homemaker, and that economic independence strengthens character, we recommend a personal endowment of a minimum of 30 shil-

lings ($5.50) a week be paid to her by the commonwealth, operating on the same system as child endowment which shall continue.

Woman as voluntary worker to be recognized for her great contribution to the community, and have opportunities, and be given expert training in the social services that she may attain professional status.

Woman in the services be granted the same status, pay, dependents' allowance and other benefits and opportunities offered to men.

Woman in the country be afforded facilities in rail transport, telegraph services, water conservation, special mobile health and baby care services.

Woman in public life to be given opportunity to go forward and stand as candidate for national and international delegations, legislative bodies, diplomatic posts, responsible administration, and as members of boards, and commissions, in order that their potential capabilities may be developed and utilized for the national good.

Woman as peacemaker: The part women have played in their country's struggle to win the war justifies that they be given wide representation at international peace table.

I wish the women of Canada would urge that the same liberties and freedoms, the same justice be accorded to them in this country and that they, too, have the right to represent a part of Canada at the peace table when that happy time comes.

In what I have said to-night, I am of the opinion that were we to grant these further privileges and rights to the women of Canada, it would not mean that they would wish the more to forsake the home. They would rather, I believe, feel that motherhood was their primary duty, and as long as marriage and motherhood was not the only avenue open to them they would, I believe, embrace it with all the more love, feeling that they had chosen it because it was the thing that was nearest and dearest to their hearts. When women do have all the free pursuits of a great nation open to them they will, I believe, become better citizens and, because of that, better mothers, and they will bring to the home the feelings of equality and devotion as the basis for happiness to a far greater degree than they do at the present time.

Before closing I would ask the Minister of Labour to indicate whether or not he is prepared to press the question of equal wages for equal work being made a part of the labour code and enforced in the country.

Mr. MITCHELL: I am afraid my hon. friend is a little out of date. As a matter of fact, it was twelve months ago that I was chairman of the national war labour board, and while I was so acting the principle of equal pay for equal production was laid lown by the board. That in itself was a revolution. I think we were the first free nation that laid down that principle.

Mr. BLACKMORE: What has been done about it?

Mr. MITCHELL: A great deal has been done about it.

Mr. BLACKMORE: What, for example?

Mr. MITCHELL: I am not going into the 45,000 cases that come before the board dealing with the employment of men and women in the industrial structure, but as minister I am saying this and it should be enough for my hon. friend, that the principle was laid down by the national war labour board when I was chairman.

Mr. BLACKMORE: One or two examples will be enough.

Mr. MITCHELL: I do not carry all these decisions around in my pocket. If my hon. friend is ever unfortunate enough to hold this portfolio he will find it rather difficult himself.

Mr. NOSEWORTHY: Has the government applied the principle in practice?

Mr. MITCHELL: Not the government but the national war labour board. They are the people who adjudicate on the wage structure. No one knows that better than my hon. friend. Let me pay this tribute to the women. The other afternoon when introducing my estimates I said that without the assistance of the women we could not successfully wage the war. The contribution made by the women of Canada has been magnificent. When I point out that 1,043,000 women are engaged in the industrial structure and that the women in the armed forces number 32,000 and on the farm, 760,000, according to the figures of September last year, hon. members will get an idea of the part played by the women of this country.

As I pointed out before, I was in Great Britain late in 1942, and I vividly remember speaking to the general council of the British trade union congress. I made the observation that the women were doing a better job than the men, and I suppose that is instinctive. In the family circle the women will fight harder for the children than will the average man. Therefore, when the nation or state is in jeopardy it is instinctive that our womenfolk will fight just as valiantly, and perhaps a little more valiantly, for the survival of the race and the state. My hon. friend can rest assured that this government—and I think I can speak for every government in this country and every party in this House of

Commons—have just as much interest, and might I say real interest, in the progressive affairs of the womenfolk of this great dominion as anyone else. What my hon. friend said is quite true. Basically, I suppose, it is as old as history itself. Men chase the good-looking girls. That is instinctive. The most natural thing to do, I suppose, as my hon. friend pointed out is settle down and see that there will be someone here two thousand years from now to call this country Canada. That is as old as history itself.

I appreciate the constructive suggestions made by my hon. friend this evening. She can be sure that not only this government but, as I have said previously, every government, whether provincial or municipal, will share the same views as my hon. friend with reference to the rights of the womenfolk in this broad dominion.

Mrs. NIELSEN: I wish to ask one more question. The minister has stated that the national war labour board and the government acknowledged the principle of equal pay for equal work. What happens then when a group of women in a certain factory are not receiving equal pay for equal work? Must they bring their case before the national war labour board?

Mr. MITCHELL: My hon. friend knows this as well as I do. There are ten war labour boards in this country. They are the boards that adjudicate on the question of wages, whether they be men or women for that matter. Any individual engaged in any civilian pursuit has the right as an individual to place her case before either the regional board or the central board. If my hon. friend were engaged in a civilian pursuit she would place her case before the regional board in Saskatchewan, since that is her own province, or if she were engaged in a national industry, before the national board. That is the machinery and that is the mechanics of it. While it is comparatively new, I suppose in the course of time it will develop a greater degree of supervision and will create working standards for men and women in this country.

Mr. LOCKHART: I do not wish to delay the committee very long, but I have one or two questions I should like to bring to the attention of the minister. There have been special medical boards set up in certain industrial areas. I want the minister to pay attention to this inquiry because it is of paramount importance. Medical boards were set up in certain industrial areas outside the regional centres. They were established to examine men in the plants instead of their having to go to the regional district officers or boards. As a result of the tapering off in certain industries recently, a great number of men were examined. In other words, as intimated by the hon. member for Vancouver South, there was a definite move on the part of the army to get thousands of men from industry into the army. That has been accomplished in part. Men hav been examined and moved into the army, men who have had complete mechanical training on all types of machine practice during the whole course of the war. A considerable number of these men have moved into the army because they were in certain types of industry which have tapered off their war production. Would the minister indicate what is to happen to these men who have been trained. It has cost industry a considerable amount to train them. They are going to be extremely useful because the Minister of Munitions and Supply has now demanded that certain types of munitions go back into peak production. Are these men to remain in the army, or will provision be made to have them go back to industry? The minister is probably aware of what I am saying and that it is correct. I wonder what it is proposed to do. Are these highly skilled men to remain in the army, or are they to be brought back to industry to help meet the requirements of the Minister of Munitions and Supply, of which he gave information a week ago? I should like some indication of what is to be done in this case.

Mr. MITCHELL: There are special places where we have boards, places like St. Catharines, Fort William, and so on.

Mr. McIVOR: It has worked well.

Mr. MITCHELL: Yes, I think it has. I assure my hon. friend that these highly skilled men such as toolmakers, coppersmiths, and so on—I could go on and give a list of these highly skilled trades that take many years to master; it takes years to make what we call a tradesman—will be moved to higher priority industry.

Mr. LOCKHART: They are in the army now.

Mr. MITCHELL: Let me come to that. If my hon. friend will wait for a moment I shall cover that. Do not forget that this is a mechanical war. I think my hon. friend and I sometimes make the mistake of thinking of this war in terms of the last war. This is an entirely different type of warfare. The number of mechanics required to-day is out of all proportion to the number required in the last war. That applies to the army, the navy and the air force. I can assure my

hon. friend that any man with mechanical ability or training will find his proper niche in the three fighting forces of this country. As I pointed out earlier, these highly skilled tradesmen, such as toolmakers and coppersmiths, will be transferred to a higher priority industry. It takes many years to produce a toolmaker; but we are seeing to it that they are transferred to a higher priority industry.

I do not think my hon. friend was in the house this afternoon when I made the observation that we have a group of industrial engineers going through the industrial structure of Canada and working in cooperation with employers in an effort to comb out those industries in order to supply the necessary man-power for the fighting forces. There is nothing new about that. That policy has been undertaken in Great Britain for at least the last three years. Of course, they are under the influence of the blitz and the nearness of the enemy, and for that reason a much more rigorous and vigorous campaign is being carried on there than here. I can tell my hon. friend that due regard is being given to the needs of the industrial structure of this country. As I said earlier this evening, there is a limit to our man-power. It is my department that has to make the decision; and in this stage of the war I would say this, outside of those highly skilled trades the needs of the armed forces must, by the very nature of things, come first, unless in the light of future events another policy may seem more expeditious.

Mr. LOCKHART: I wish to ask one more question. Then I am to gather from what the minister says that the very men who have been making munitions of war for four years and have become highly skilled and proficient are now to be taken from those industries and put in the army, navy or air force, and will remain there and that we shall have to go back and train other men or women to do exactly the same job and make exactly the same munitions as were being made in certain plants throughout this country before. I draw that deduction from what the minister says.

Mr. MITCHELL: You are not going to draw that deduction from what the minister says. I am not going to let you get away with that. It is not as simple as that. We are not a gang of waifs and strays or trained seals.

Mr. LOCKHART: Well,—

Mr. MITCHELL: That is all right. Wait a moment. My hon. friend was somewhat vigorous in the question he put to me. I want to try not to be as vigorous as he was.

[Mr. Mitchell.]

Mr. LOCKHART: You are talking about trained seals.

Mr. MITCHELL: That is all right. We have a degree of common sense, I think, and that is the yardstick. The men who are going through these plants are sensible men. They are not like ships that pass in the night; they do not just pass through the plants without saying a word to anyone. They are talking to the management of these plants, sizing up conditions in the various industries across this country.

That is that side of it, but there are always two sides to a medal. At the present rate, for various reasons approximately sixty thousand men a year are being discharged from the armed forces, so that we shall have those sixty thousand men coming into our commercial, industrial and agricultural structure with these other men leaving the three important structures in the life of this dominion to take their places. That is the balance.

Mr. LOCKHART: But only a small percentage of the men returning go back into industry, and they are not skilled.

Mr. MITCHELL: I pointed out while my hon. friend was not in the house—

Mr. LOCKHART: I was in the house all afternoon.

Mr. MITCHELL: I think I mentioned previously to-day that I could put 160,000 people at work to-morrow morning if I had them. There has been no serious difficulty up to the present in placing every man who has been discharged from the armed forces. I will go further in that regard. We have a rehabilitation and training plan for men discharged from the armed forces. Notwithstanding the many thousands who have been discharged, up to this date—and I am speaking now from memory—only three thousand have availed themselves of the training facilities made available by the government, which is an indication that all the other tens of thousands have found their way through selective service back into the industrial structure.

Mr. GREEN: It may be that the allowance offered them was not large enough.

Mr. MITCHELL: I am not talking about that now; there will be a time and place to argue that matter. They have found their way back into the commercial, industrial and agricultural structure of this country.

Mr. WHITE: Before the dinner recess I asked the minister a few questions, and we were talking about table No. 7, which the minister explained had been prepared under

his direction and which was a complete breakdown of man-power distribution, totalling some 1,665,504. If the minister will look at that table, which appears at page 2451 of *Hansard,* he will note that the first item gives the total number in the armed forces. The second item refers to men applying for and on postponement, men in "A" category only. Item 3 applies to unfit men, "B", "C", "D" and "E" category, totalling 138,497. The next item covers men unfit for front light combatant duty, namely active service, and includes "B", "C", "D", and "E" categories and rejections on enlistments, and totals 456,185. It appears to me that the men in item 3 have been counted twice, because they also appear in item 4, which distinctly says, "and includes 'B', 'C', 'D', 'E' categories and rejections on enlistment." Therefore, instead of having a total unaccounted for of 49,001, we should add the number appearing under item 3 of this table, or 138,497, which gives a total of 187,498. I wonder what explanation the minister has as to that. I was assured that this was an accurate table, prepared under the minister's own direction.

Mr. MITCHELL: My hon. friend is making an after-dinner speech now; I thought we had solved the problem of the 49,001 men.

Mr. WHITE: I am not making a speech at all; I am trying to pry a little information out of the minister.

Mr. MITCHELL: There may be some indication of duplication in those two figures, but there is not any duplication.

Some hon. MEMBERS: Oh, oh.

Mr. MITCHELL: My hon. friend is trying to prove a point but he cannot do so. It so happens that these figures deal with the "B", "C", "D" and "E" men, men on the farms and men in industrial life. Different boards have different ways of approaching this problem, but my hon. friend may rest assured that there is absolutely no duplication.

Mr. WHITE: If the minister does not mind, let me put it in this way. Am I to assume from this table that item 3, which reads, "unfit men, that is, 'B', 'C', 'D', 'E' category," covers all men in those categories in all the administrative districts across Canada. Is that correct?

Mr. MITCHELL: Probably I did not make myself clear. That is item 4.

Mr. WHITE: No; I am dealing with item 3.

Mr. MITCHELL: Those are unfit men on postponement. It is a fact that certain boards give postponements to unfit men. I think there are three boards following that practice, the boards at Montreal, Quebec and Winnipeg.

Mr. DIEFENBAKER: Are "E" men called up?

Mr. MITCHELL: No, they are not called up; it is just the policy adopted by these boards. They place them on postponement; that is the way they do it, because they are on the farms.

Mr. DIEFENBAKER: Are "D" and "E" men put on postponement?

Mr. MITCHELL: No; but that has been the policy adopted by these three boards.

Mr. WHITE: In the second item you use the word "postponement" in showing the number of "A" men, but the word "postponement" does not appear in item 3 or 4. I do not see how the minister can place any other interpretation upon it than that item 4 includes all the unfit men in categories "B", "C", "D" and "E."

Mr. MITCHELL: That is right. I have explained about the three boards. The total number of men on postponement is in item 2; that is, fit men in "A" category only, while the unfit men in "B," "C," "D" and "E" categories are in the next two items. The third item covers the number of men actually on postponement; I have told the hon. member about the three boards which leave these men on postponement notwithstanding their medical categories. The fourth item covers men unfit for front-line combat; those are the men coming under the other ten boards. Of course those men are unfit and are not liable to call.

Mr. WHITE: Then do I understand that in "B", "C", "D", and "E" categories there is a number of men on postponement who are unfit for something?

Mr. MITCHELL: Yes.

Mr. WHITE: Then there is a second category of "B", "C", "D" and "E" men who are unfit for front line combatant service. Is that right?

Mr. MITCHELL: Item 4 covers men who never applied for postponement but who are unfit.

Mr. WHITE: I must confess that I cannot follow the minister's reasoning, taking it at its face value.

Mr. MITCHELL: I am not reasoning at all; I am stating the facts.

Mr. WHITE: This is the statement to which the minister referred me. He mentioned the confusion I was trying to create and referred me to this statement. Accordingly I examined the statement carefully, and now I am trying to point out how impossible it is to arrive at any correct conclusion from this

statement which has been prepared under the supervision of the experts in his department. I still maintain that these 138,497 men are being counted twice, as this statement is prepared.

Mr. MITCHELL: I cannot help the deductions drawn by my hon. friend, but to begin with it would be dishonest to do what he suggests is being done. I may sometimes speak in ignorance in this chamber, but I have never tried to mislead it. Let that be clearly understood by my hon. friend.

Mr. WHITE: What is the difference between a man in category "B" under item 3, and a man in category "B" under item 4?

Mr. MITCHELL: I tried to explain that. What I shall have to do is get a blackboard, I suppose. The answer is that the man in item 3 applied for a postponement and the man in item 4 did not.

Mr. WHITE: Does the minister know what categories are exempted from military service? Does he call only the "A" group?

Mr. MITCHELL: Everything below "A" is exempted.

Mr. WHITE: Then it is not misleading to show that men in "B," "C," "D" and "E" are on postponement? What are they postponed for, if they are not eligible for military service?

Mr. MITCHELL: I have to keep on with this repetition. I think I pointed out that these three boards had that way of dealing with it.

Mr. WHITE: Who gave them authority?

Mr. MITCHELL: And they still have. We just put it in there because they still have that method of procedure. Now, it may be right or wrong.

Mr. WHITE: Where are those three boards?

Mr. MITCHELL: Winnipeg, Montreal and Quebec.

Mr. WHITE: The minister will notice that under items 3 and 4 there are figures for all the administrative districts across Canada, with the exception of Port Arthur. So that now, if the minister is correct when he explains that there were some three boards which exempted men under item 3, how do they appear under all the military administrative districts across Canada?

Mr. MITCHELL: There is an answer to that, too. They all used to do it, and item 3 still does it.

[Mr. White.]

Mr. POULIOT: I do not wish to be misunderstood by the minister, but he will remember that on Tuesday I asked him to table the correspondence between his department and the railway companies regarding draftees with experience as railwaymen?

Mr. MITCHELL: During the dinner recess I got that correspondence. I shall hand it to him now.

Mr. POULIOT: I thank the minister for tabling the correspondence, and I shall look into it in due course. I regret it was not tabled before, because I note that it is all mimeographed, and therefore it should have been in the department. The minister was not fair to me when he said that he would have to work twenty-six hours a day to table that correspondence when, in fact, it was mimeographed. I do not believe that the minister does that kind of work. I admit he works hard, but not at that kind of work.

Mr. MITCHELL: Let us get the record straight. I do not think it is mimeographed; if my hon. friend will look at it he will see it is typewritten.

Mr. POULIOT: Even if it is typewritten, it was not the minister who worked at the machine to write it. I will play the game with him; I will be fair with him; but when I ask a question I mean to get the information in time, and especially when it is promised by the minister. I am sure there was some negro in the woodpile who told the minister not to table the correspondence at three o'clock this afternoon, but to wait until late to-night, until after 9.30 in the evening, to let me have it. It could not take a whole year to copy a few letters. The first part is mimeographed, and the second part is probably typewritten. But with the staff the minister has under his direction, it would be very easy to prepare this information. I do not wish to impose work upon him which he is not supposed to do. Everyone knows the minister has not time to do the work of transcription, and I do not expect him to do it. But he has paid officials who are there to do it, at the request of members of the House of Commons, and when information is asked for and is required for discussion, the tabling of that information should not be delayed.

In case I may be told that I do not know what I am talking about, and that the minister is a former railwayman—probably he still belongs to his union—let me say that when I speak of railway employees I do know what I am talking about. In case that is denied, however, let me say that I hold in my hand the most serious railway publication printed on this continent, namely the "Railway Age",

published in the United States. This is an old periodical, dating back to 1856, and I find in the recent issue of February 19, 1944, the following editorial respecting new employees and accidents:

Reports of recent accidents continue to emphasize the serious and frequently fatal results that come from mistakes made by new employees. Brakemen and firemen with less than a year's experience continue to prove, beyond any question, that a railroader cannot be made overnight, and that, regardless of the alertness and competence of these men, there is no substitute for experience in railroading.

This situation places an enlarged responsibility upon railway officers and older employees. Increased vigilance is demanded of them to prevent the new men from making tragic mistakes. They must keep everlastingly at the teaching of new men, acquainting them with the complexity of railway operation. They can never assume that a new man knows the railroad, merely because he has been over it several times.

The intimate knowledge of every switch, siding, station and signal that is so necessary to prevent accidents cannot be attained suddenly, and no one except older employees and supervisors make good this deficiency.

While there is much that railways can and should continue to do to meet their needs for competent labour, the final solution to the difficulty lies in the hands of selective service boards. The withdrawal of experienced manpower has reached an extent which cannot be corrected by makeshifts and expedients.

Note the word "expedients."

The selective service board which calmly told a railway in a vital area that a good man could be taught telegraphy and made a train dispatcher in six months presents a typical example, rather than an isolated case, of the sort of ineptitude—

And mark that word.

—that is ruining the railways' ability to maintain their vitally needed transportation.

I am pleased to quote this, because while it was printed in the United States, it deals with similar problems. The article goes on:

Perhaps the railways themselves have contributed to such misunderstanding on the part of those responsible for recruiting men. They have cooperated wholeheartedly with selective service authorities, and have given freely of their best officers and men to the battalions of the military railway service—perhaps inducing the opinion that they had plenty of personnel to spare. This cooperation is laudable—

And I agree with that.

—but it is now even more patriotic to resist the further depletion of the ranks of skilled railway labour.

I agree with that.

Colonel Johnson of the interstate commerce commission merits wholehearted cooperation from the railways in his efforts to awaken the authorities to the grave national danger in depleting railway forces below the point adequate to maintain the nation's war-time transportation.

And then on page 397:

B. & M. Advertises Against Man-power Losses.

Asserting that "you can't run as hazardous and as complicated a business as a railroad with a majority of green men," the Boston and Maine has begun what it terms an "out" in the open approach to the question of man-power deferment. Its answer to those who attack army-age trainmen for being out of uniform, and who charge them with being slackers, comes in the form of an advertisement which now is being run in all newspapers along B. & M. lines.

Entitled "Who says, 'You Can't Fight with a Lantern?'", the advertisement describes railroading as a "tricky business"—"where safe things to do are learned only by experience."

May I remind the minister that this is not a joke; it is a serious matter and this is not the time for him to laugh. The article continues:

For the benefit of the uninformed, the message points out that there are now 3,053 of the 16,000 regular B. & M. employees now in the armed services. Moreover, many of the younger men have sought their release from the railroad, asking that the draft board be notified to cancel their deferments. The railroad reply, it is explained, has been "no," because "if all of them went, it would mean that there'd be chaos—accidents, delays in moving the many important things for fighting men which are being manufactured in New England's war plants."

Is that not what has been said by many hon. members in this house, especially by the member for Temiscouata. I continue:

The advertisement argues that "an experienced trainman on a passenger train isn't just a fellow who opens the door and yells 'Swampscott' and then waves a lantern". He must be familiar with scores of rules, signals and train schedules, that trains can speed with precision and safety. Nor can the experienced trainman on a speeding freight train, who performs his task with unnecessary delay and without accident, be spared. "It's far too important a job to trust entirely to inexperienced men, and it's a job that must have the alertness and the quick judgment of seasoned employees."

So, requests the Boston and Maine, "the next time you see one of our younger employees doing his most important part in the fight to win the war, we ask that you ponder a bit before you say, or think—slacker". "He's in fighting uniform right here at home", says the railroad.

I have this large file containing letters between Mr. Coleman and the Minister of Labour. It starts with a letter from Mr. D. C. Coleman and Mr. Vaughan, the presidents of the two large railways, dated March 31, 1943, addressed to the Minister of Labour, and reading as follows:

Since the outbreak of war in September, 1939, there has been a steady and progressive decrease in the number of trained personnel available for essential railway occupational classifications The calling up of men for military service irrespective of the essentiality of their occupations and the exercise by numerous employees

of the right to leave railway service to volunteer for the armed forces have combined to produce in railway ranks a shortage of qualified man-power that has assumed serious proportions.

Is that not what the member for Temiscouata has said repeatedly This is over the signatures of the presidents of both the large railroads. The letter continues:

Efforts of the railways to train replacements have only partially alleviated this condition and it is now clear that any further aggravation of the situation will have such effect upon the operating efficiency of the railways as may in the near future curtail or render impossible maintenance of certain railway services essential to the national war effort.

With a view to formulating a practicable and comprehensive plan to ensure the continued operation of rail transportation services at the maximum efficiency for the duration of the war, representatives of the railways conferred on several recent occasions with officials of the national selective service, mobilization section, at Ottawa. The suggestions made by the railways were sympathetically received and officials of the national selective service, mobilization section, cooperated in every way possible. They pointed out, however, that a permanent solution of this very urgent problem involves a radical departure from the current governmental man-power policy and suggested that the factual data presented to them together with the railways' recommendations thereon should be placed before the government for its consideration and decision.

The railroads were trying to keep their men, and it was a departure from the government policy to take men from the railroads.

The letter continues:

Pursuant to this suggestion there are submitted herewith analytical statements designed to illustrate the magnitude of the existing shortage in essential occupational classifications and the crippling additional drain on railway man-power the current system of call up for compulsory military service will inevitably entail.

At February 28, 1943, there were 24,832 employees of the Canadian National and Canadian Pacific railways in the armed forces of Canada serving at home or abroad or in the merchant navy. Of this number a substantial proportion were engaged prior to enlistment or call in essential occupational classifications. In addition, 33,406 employees now actively engaged in railway work are in the age groups subject to compulsory military call, of whom 21,417 are in essential occupations, and the remainder must be replaced if and when called.

It is the considered view of the railways that any further loss of employees in the essential occupational classifications cannot be sustained without a serious and perhaps disastrous impairment of vital transportation services, and that this threat of a further drain on their already limited man-power should be removed once and for all by governmental action. It is, therefore, respectfully suggested that the government should adopt with the utmost dispatch a policy that will ensure definite deferments of compulsory military service for all railway employees engaged in essential occupational classifications.

The loss of man-power to the armed forces, however, is only one aspect of the situation.

Not only have the railways been faced with the problem of securing suitable replacements for those in military service but owing to the unprecedented war-time demands for transportation they have also had to secure and train large numbers of new employees. Some conception of the magnitude of this task may be gathered from the fact that in 1942 the average number of employees in both the Canadian National and Canadian Pacific totalled 150,623 as compared with 123,671 in 1939, an increase of 26,952 or 21·8 per cent. This compares with an increase of 90·9 per cent in traffic in the same period as measured by the increase in the combined traffic units of the two railways.

Another factor which has contributed to the difficulties attendant upon the maintenance of the high standard of efficiency of Canadian railways during war time is the strain placed upon experienced employees as a result of having to work side by side with inexperienced employees. This places upon the experienced men additiona responsibility especially during the training perod when the new employees are unfamiliar with their duties. Employees such as locomotive engineers, locomotive firemen, conductors, trainmen, yard switching forces, telegraphers, track forces and others, upon whom the safe operation of trains depends, are thus required to labour under most trying conditions. The railways view with increasing concern the consequent impairment, at this time of heavy war-time traffic, in the efficiency of these experienced and essential employees.

Mark that.

The railways view with increasing concern the consequent impairment, at this time of heavy war-time traffic, in the efficiency of these experienced and essential employees.

It goes on:

In addition to the loss of experienced men in the essential occupational classifications the railways have sustained a further depletion in qualified personnel due to the loan to the government either on a full-time or part-time basis of a substantial number of officers and other employees for special war work, and to the transfer of a large number of officers and skilled men to munitions work. These officers and men have been made available regardless of the inconvenience to the railways.

The urgent need for conservation and utilization to the fullest degree of the existing supply of available man-power is recognized by the railways and every effort in that direction has been consistently made since the outbreak of hostilities. A number of men physically fit and willing to continue working are being retained in service after reaching normal retirement age, and likewise in some cases retired employees are being reemployed for the duration. The hours of service in essential occupational classifications have in many instances been extended and certain positions usually reserved for men are now being filled by women. It is the intention to extend these practices as conditions permit. As far as possible the railways are prepared to further extend the transfer of employees to territories where due to fluctuation of traffic temporary shortages exist. However, with the uncertainties involved in traffic fluctuation as between one territory and another and the man-power situation in its present critical stage, the transfer of employees, except as a temporary expedient to meet some particular local emergency, no longer offers the

opportunity for full utilization of man-power that it did in the first few months of the war.

Railway officers in conjunction with representatives of the employees are constantly exploring every possible means of making the fullest use of all available man-power in the essential occupational classifications.

The factual data contained in the attached analytical statements have been prepared with the object of presenting a clear picture of the man-power situation of the steam lines of each railway, with separate statements for each of their affiliated activities. Employees have been divided into two classifications: namely, essential occupations and other occupations.

The railways are of the opinion, as already indicated, that in the interests of the national war effort the continued drain on essential railway man-power should be immediately and effectively stopped. Railway employees now serving with the armed services in Canada should be given leave to return to their former essential employment if they so desire.

It is impossible to get them out of the army. Moreover, they are taken from the railway and brought into the army, but when a request is made to get them out of the army and back to the railways it is impossible to get them out.

It goes on:

The only workable and practicable solution of the problem appears to be the adoption of a governmental policy in respect to compulsory military service that will ensure automatic deferment of calls of all railway employees engaged in essential occupational classifications on March 31, 1943.

In view of the seriousness of the situation and the urgent need for remedial action, it is respectfully requested that this matter be dealt with as promptly as possible.

Yours truly,

R. C. Vaughan,
Chairman and President,
Canadian National Railways.

D. C. Coleman,
President,
Canadian Pacific Railway Co.

This letter gives matter for thought. The Minister of Labour then took the right course. He sent a copy of this letter to the three defence ministers. There was an acknowledgement from the minister for the navy, some correspondence from the air ministry, and a memorandum from the Minister of National Defence. Here is what the navy minister had to say in reply, on April 14. I shall not read it all because I have not much time. I shall read a paragraph. If the minister wants the rest put on *Hansard* I shall be glad to do so. This is what the navy minister had to say:

It is suggested that your department should set out definitely what are considered to be essential services, and instructions could then be issued to the armed forces to the effect that no men employed in any of these occupations shall be taken into the services. As far as the naval service is concerned, any men applying for entry into the service, when formerly engaged in farming, fishing, mining, lumbering, et cetera, are to be fully questioned, and if it appears likely that they will ever need leave to return to their previous occupation, they will not be entered in the service. Furthermore, any men released from the navy to return to their former essential occupation will be discharged, and not reenrolled unless there is a change in the general situation.

If it is desired I shall consider whether instructions shall be issued to the effect that no railway men shall be enrolled in the naval service, and that railway men now in the service may be discharged to resume their former occupation.

Very good. I would not have thought the navy minister would have written a letter like that about this matter to the Minister of Labour. It is a good letter. Now let us see what the minister for air had to say. In the first place, he replied on April 12 that the suggestion was being explored. Then on April 29 he sent a memorandum from his department through the air secretary, as follows:

In answer to your memorandum dated April 12, in regard to railway employees now enlisted in the service, it will be a considerable job to determine the numbers of service personnel with previous railroad experience and investigate the practicability of releasing them to civil occupations.

In view of the fact that the average age of air force personnel is approximately twenty-three years, it is not anticipated that many would fall into the category mentioned in the above letter from the two railroads. The service has already invested a considerable amount of money in the training of any railroad employees of mature years, and their release at the present time would effect an appreciable loss.

Under the new policy now being put forward for the minister's approval, any particular individuals required by the railroad and whose services can be spared will be eligible for discharge to return to civil employment.

That is very good. Now let us see what the Minister of National Defence wrote. He sent the Minister of Labour a memorandum, dated April 26, which reads as follows:

I have your letter of April 6, concerning man-power demands of the railways. I am in general agreement with the terms of your reply to the presidents of the two railway companies but wish to add the following comments.

Demands for exemption of essential workers are becoming daily progressively more numerous. We have discussed miners; the requests of fishermen, railroad men, teachers et al are put forward.

But the point is that, as you know, machinery already exists for postponement of essential workers (section 10 (8) N.S.S. Mob. Regs.).

That is the mobilization regulations. It goes on:

Regarding the suggestion in your penultimate paragraph concerning the setting up of a board: I myself do not see any need for a special board for railway men or any other occupation. Your mobilization boards can dispose of these questions pretty soundly if the evidence is placed before them. In any case, if you have some technical body to advise these boards

regarding railway applications, such a body would not be complete without having among its members a representative of national selective service and a representative of the district officer commanding as well; otherwise the board would be entirely one-sided.

I fully recognize the importance of the railroad problem, but I very much doubt whether the army has drawn disproportionately upon the railroads for man-power. The fact that there are still 33,406 employees subject to call indicates that the mobilization boards are acting with due consideration of the transportation demands.

As regards effecting a return to the railroads of ex-employees now in the army, I must point out that personnel in the army here constitute potential reserves to assist in the maintenance of the army programme overseas and it would for that reason be detrimental to the success of that programme to sanction the release of personnel.

What programme? The army programme overseas, precisely the commitments that the Minister of National Defence made while he was in England—what I spoke of this afternoon.

Recognition must also be given to the fact that such personnel have received army training costing time and money and, furthermore, the army is now organizing railway troops for overseas.

Talk about training costing money! How much does one month in the army cost compared with years of salary paid to experienced men in the service of the railways?

May I add this further word purely by way of suggestion because it is out of my "line of country".

There are possible avenues of relief open to the railroads, other than by drawing on the army or taking men who are eligible for service, viz.,

(a) Drawing on civilian industries to which railway employees have gone;

(b) Increase of employees monthly mileage limit;

(c) Reallocation of surplus personnel between east and west as seasonal traffic fluctuates;

(d) More energetic consideration of the retaining of personnel beyond normal peace time superannuation age.

Thank you for calling attention of the railways in your forthright letter to the shortage of men for the armed forces.

Respecting railway employees now in war service: I am led to believe—

1. That most of the former employees now in the armed forces come from the casual or part-time employees of the railroads, and

2. that a substantial proportion of the 25,000 former employees now in war service are from the marine divisions of the companies and serving in the R.C.N. or mercantile marine.

"I am led to believe." Who told him that? What is the proof? It is signed J. L. Ralston. This is the letter of a jingo, and I have read enough to make the mouth of every member water and to make every member anxious to get the whole story. I thought the ministers for the navy and the air were at one with the Minister of National Defence in insisting upon getting men from the railways into the army, but it is not that. Their letters are most reasonable; the only unreasonable letter comes from the head of the Department of National Defence, and that was written last year. Here is the answer that was sent before by the Minister of Labour to the heads of the railways:

I have before me your joint letter of March 31, which was presented in person by Messrs. F. W. Edge and H. D. Brydone-Jack, relative to the man-power situation as it affects the railways.

The problem of the man-power situation as it affects the two major employers composed of the railway systems of Canada is a matter which has been giving the department great concern. We have been aware of your difficulties through reports we have been receiving from our employment offices across Canada. Since the mobilization activity was taken over by the Department of Labour, we have been giving some study to the question of postponements from service for employees in "key" positions. For these reasons I was very glad indeed to have the opportunity of discussing the situation with your chief personnel officials.

I feel that it will not be out of place for me to, at this time, express my keen appreciation of the work the railway companies are doing and despite the considerable expansion in personnel, with a minimum of labour relations difficulties. Many of the labour policies of the government are made possible by the fact that this is so. I wish to go on record and thank you and your officials.

Coming to the question of mobilization of railway employees, we stand ready to give you every possible cooperation in this regard, and the representations will be given most careful study.

There are one or two brief comments I will make at this time.

In the classification of essential positions there are a few occupations which might, in the minds of the members of the mobilization boards, be doubtful. Those of "helpers"; "assistants"; "coal men"; "instrument men"; "work equipment firemen"; "section men" and possibly waiters on dining cars.

Your officials know your requirements better than we do, of course, but it does seem wise at this time to explain that we are terribly short of men for the armed forces.

The second point I wish to make is that in respect to getting new employees which you mention on page 2 of your letter, I would like you to feel that the full resources of the chain of employment offices across Canada are available to you.

The third point I would wish to make is the question of identifying "essential men in essential occupations". Your officials stated that, while section men were listed, it was not the intention that all section men be considered as essential. How are we to identify the essential men from the non-essential? It did occur to me that a board composed of officials of the railways and possibly representatives of the labour organizations might be set up and doubtful cases could be referred to this board.

The last point I would mention at this time is the question of allowing men to return to

their occupations who are already in the armed forces. There was some suggestion that older men now in the armed forces be exchanged for younger men in railway service. This idea, if workable, appeals to me; however I will confer with my colleagues who have the responsibility for the armed forces, in respect of this particular point.

Yours sincerely,

Humphrey Mitchell.

"This idea, if workable". The Minister of Labour was reasonable. The only one who spoke like a jingo was the Minister of National Defence. Copies of this letter were sent to the three defence ministers.

I have nothing to withdraw from the praise I have given the minister. I have said that, and I am in full sympathy with him. I think he has the treatment of a dog from the government. It is most unfair to put that responsibility on him, to hear complaints that come from your left, sir, when we know very well that the Minister of Labour does his very best to settle the matter in an amicable way, in a way that would not prejudice the country. It is just because we have one man who has no Canadian feeling, who has priority over his colleague, that it is impossible for him to do his job. We see letters written by two men who are not supposed to be disciples of any nationalist in the province of Quebec or anywhere else, two men who are highly considered by the government, men who have been praised by the veterans themselves.

Why are we complaining so much and fighting the cause of the employees as we have been fighting the cause of the farmers? Why are the brotherhoods and unions dumb now? Why do the unions not do their duty in fighting this case as we do not only on behalf of the men, but on behalf of the railways? I do not know. I have no consideration at all for the leaders of brotherhoods who do not do their duty by fighting for the men and by fighting for the railways, as the chiefs of the railways themselves have done. To-day we poor people have to do that. How many times did I say in the house last year, the year before and in 1941, exactly what is said by both Mr. Vaughan and Mr. Coleman in their letter written last year to the minister? I have never seen that letter before. Is it not a justification of what I have been saying here in the house, justification to which there is no reply at all? I have been doing my duty. I have been fighting for the railways and sometimes I have been abused. I have been called a bad Canadian. I have been told that I do not understand the duty of the country to move reinforcements overseas all the time at the expense of the railways. It was not so long ago—it was yesterday or the day before—that we saw a dispatch in the press to the effect that in Australia man-power had reached rock bottom, that there was no more man-power. It is enough to listen to the letter written by the heads of the railways, men who are in an independent position to speak about this very matter. Then, due to the suggestions—I will say "suggestions"—made by the Department of National Defence there are men who had a month's training, who were brought from the railway to the army where they are rendering much less service than they could render in the railway business. Is that good government? I sympathize with the Minister of Labour. Someone forced his hand; and I deeply regret the importance that is given to the imperialists. I regret it the more because the Minister of Labour has judged the situation as a former railway man. He has understood it and he has put the facts before the war minister.

According to democracy we must have the rule of the majority. In that case they were two against one. They should have decided according to the decision of the two and the one should have been left aside, because the country should not be responsible for the dangerous commitments that he has made in London. They should be disapproved and he should be fired. That is what I have said many times. I cannot stand for it. Here I have as a testimonial two witnesses, the two heads of the two largest railways in this country.

Mr. MITCHELL: I think I should say just a couple of words, not in full reply to my hon. friend. He spoke for forty minutes; I expect to speak for just a couple of minutes.

There is nothing unusual about the letter written by the railroads to myself in connection with the labour situation of these important undertakings. I suppose not a day goes by but what I get a letter couched in a similar vein. There is nothing new in a difference of opinion between individuals; that is why this House of Commons exists. But I wish to say this, Mr. Chairman: if everybody had their way about the withdrawal of men from the armed forces we would not have any armed forces. Let us be clear about that. Again, we have set up the machinery between the railroads of this country and the Department of Labour in order that there might be an orderly withdrawal of man-power from the industry that is necessary under the present conditions.

Notwithstanding what is being said at this very moment, the railroads are moving more freight this very day than they have ever moved in the history of this country. Why

are they moving that freight? In the great majority of cases because there is a war on across the Atlantic, because they are supplying the forces that are engaged in this conflict. I want to pay just this tribute to the two main railroad systems of this dominion, a tribute to both the management and employees on the contribution they are rendering at the present time. It is a difficult situation; of course it is. Everything is difficult in war time. There is not an industry in this country that is not going through a difficult period. When I say, "industry" I mean industry in its broadest sense. It includes the farmers and those in commercial life. But it can be truthfully said, notwithstanding the criticism offered by my hon. friend—and I do not have any objection to that—that the railroads and their employees have carried on in what I might term a magnificent way, along with all the other industries; and whether we like it or not, this tightness in the man-power situation will continue until Hitler and that man in the Pacific are defeated.

Mr. CHOQUETTE (Translation): Mr. Chairman, I wish to say just a few words before this item is carried. I would not have risen at this time had not the hon. the Minister of Labour (Mr. Mitchell) stated on May 1 that a man who works on the farm has only to state that fact in order to obtain a postponement automatically. It is not as simple as that. In the first place, applicants must state the facts in an affidavit, and those who have been granted a postponement are told a few months later that such postponements are no longer valid, and that they must file a new application.

We are told that postponements for farm work are readily granted. I know that such is not always the case. Besides, here is what the minister said on April 28 last, as reported on page 2445 of *Hansard*. I quote:

> We are now finding it more difficult to fill the army requisitions. As the war progresses it is evident that we will soon have to rely largely upon those at present deferred and the young men coming of age.

And the minister placed on *Hansard*, at page 2452, table No. 9 from which I take the following figures. From March 20, 1941 to March 31, 1944, 245,443 applications for postponement filed by agricultural workers have been examined; out of that number, there were on the same date, that is on March 31 last, 145,529 postponements still valid. What about the other 100,000 applications which include the postponement applications that were denied and the applications for renewal which were not granted? Therefore, less than three-fifths of the postponements for which applications were made are now valid. This proves conclusively that it is not so easy as he has intimated for farm workers to obtain a postponement.

Now I wish to say a word in regard to the order which was signed on January 28 last and in regard to the *Employer's Guide* published at the same time, which require every employer to report to the registrar any of his employees who are not in good standing under the mobilization act. This order and these regulations are inhuman, for they compel a brother to report his brother, a father to report his son. The employer is compelled to play an odious part, and if he fails to do so, he is liable, upon summary conviction, to a fine of not less than $25 but not exceeding $1,000 or to imprisonment for a term not exceeding two years and a day, or to both fine and imprisonment.

I say that this order and these regulations must be repealed because they are antisocial and inhuman.

Mr. Chairman, we cannot be misled any longer, we have overseas conscription in disguise. On March 6, 1944, the government, in reply to a question asked by a member of this house, stated that men who had been called up for home defence, and who had not volunteered for overseas service, were sent to Newfoundland (including Labrador), to the British West Indies, to Bermuda, to Alaska, including Kiska. This is quite clear to anyone with an open mind.

Why does not the minister say to the house and to the country that the man-power pool is being depleted and that he is endeavouring by every possible means to attract men to the armed services?

(Text)

Mr. MICHAUD: In order to complete the record concerning the treatment of railway employees under the mobilization act, I wish to add something to what has been said by the hon. member for Témiscouata. The hon. gentleman has related the first chapter of the story; I should like to take a few minutes to relate the last chapter, which from the point of view of the railways and the railway employees is the most important.

I may preface what I have to say by stating that until the presidents of the two railways made representations in writing to the Minister of Labour, as related by the hon. member for Témiscouata, there was no central office of the Canadian Pacific Railway Company or the Canadian National Railways organized to ask for postponements for rail-

way employees called up for military service. Circular letters had been sent by the Canadian National Railways to district officers from one end of the country to the other, asking them to support applications for postponement when the men called up were considered essential in the operation of the railway. As might be expected, with several divisions and many more subdivisions, there was no uniformity in the interpretation of such essentiality on the part of local or district railway officials. As a result, in some districts railway employees who made application for postponement had their applications endorsed by their superior officers, while in other districts the superior officers would consider people employed at the same work as non-essential. So that dissatisfaction among the railway employees came to the attention of the heads of the railways, and representations were made to the Minister of Labour.

As a result of those representations, national selective service mobilization regulations were given an interpretation, and on June 14, 1943, circular memorandum No. 858 was forwarded to all chairmen and registrars. It has to do with applications for postponements by railroad transportation employees engaged by the Canadian National Railways or the Canadian Pacific Railway Company, and the consideration thereof, pursuant to subsections 7, 8 and 10 of section 10 of the regulations. In order to bring about uniformity and afford the railways some relief, the Department of Labour recognized the necessity of giving consideration to employees who were essential in the operation of the railways, instructed the registrars and officials of the mobilization boards to give consideration to representations made on behalf of the employees by representatives of the railways, and for that purpose asked the two railways to set up a committee of responsible men who would pass upon the applications and decide as to the essentiality of the applicants in the operation of the railways. As a result, the Canadian Pacific Railway Company nominated Mr. Brydon-Jack, acting manager of the department of personnel, and the Canadian National Railways nominated Mr. Frederick W. Edge, director of labour relations.

This regulation was put into effect on June 14 and became operative on July 1, 1943. From that date to December 31, 1943, some 2,807 employees of the Canadian National Railways who were called up made application for deferment because they thought their employment was essential. Their applications were passed upon by Mr. Edge and the other members of the committee, and of all those applications for deferment only sixty-eight were not approved by the committee because those men were not considered so essential that they could not be replaced by men not of military age or not subject to military call. This indicates that the new interpretation placed upon the mobilization regulations and the centralization of the consideration to be given by the railways have worked out very satisfactorily at least as far as the Canadian National Railways are concerned. I have not the figures for the period from January 1 to date, but I have been informed that the same proportion of applications have been approved. So that since July 1, 1943, relations between the Department of Labour and the two great railway systems of Canada have been most cordial, and applications for deferment for employees of military age who were considered essential in the operation of the railways have been approved by the board.

Mr. BURTON: After sitting here for a number of days listening to the discussion that has taken place, I have finally grasped something of the enormous task confronting the Minister of Labour, and at this late hour I have no wish to delay further the passing of this item. I should like, however, to mention a few matters to the minister. I am quite prepared to admit that I know very little about his problems and those of labour in the large industrial centres, though, as I say, I have come to realize that those problems must be enormous. But I do wish to draw to his attention the fact that the selective service board does not seem to function to the best advantage in the smaller centres. I shall not go into detail or belabour the point to any great extent, but shall mention only a few cases to show that it is not working satisfactorily in the smaller places.

I have in mind a man in my constituency. This man is beyond military age, and yet he is anxious to do whatever he can. For over a year he has been in correspondence with the national selective service board, but that man still has not had satisfactory placement. Then I know of a young woman who had been in an egg-candling plant. After she had been in that plant for a considerable length of time the work slackened off. She then was laid off for the time being. As a young married woman she proceeded to attend to her household duties. Later on, the manager of the plant asked to have her return to work. She left her home at seven o'clock in the morning, and at one o'clock in the afternoon the selective service officials in that city had not yet prepared the necessary authoriza-

tion for her to resume work in the plant in which she had been working formerly. I could mention quite a number of cases like that where men and women have suffered the loss of hours of work, through seemingly unnecessary red tape. The loss would be great, if totalled.

Another matter I would draw to the minister's attention is unemployment insurance. In some parts this, too, does not work to the satisfaction of the people in the smaller communities. I shall give one or two examples. For instance, an elevator man receiving only a very small wage contributes to unemployment insurance. He has a family to take care of. Then the elevator is closed down, and he has no further possibility of earning money for several months, until the next crop season comes along. If that man accepts the terms laid down by the unemployment insurance officials under which he must accept employment at some other place, very often he would be working at a rate of pay which would leave nothing for him or his family, after the necessary amounts for living expenses away from home were deducted.

Some other cases were drawn to my attention during the Easter recess. People who had been working at comparatively small wages could not take advantage of the unemployment insurance to which they had contributed, when they were laid off for short periods of time.

I draw these points to the attention of the minister, realizing that his problems are great. The industrial and larger centres may have a more orderly way of working out the details, but I must point out to him that in the smaller centres it is far from satisfactory.

Item agreed to.

National war labour board and regional boards, $522,960.

Mr. GRAYDON: I should like to say something by way of suggestion rather than criticism. It is my view that there should be some better way of distinguishing between the two boards over which the department has control. I refer to the national war labour board and the wartime labour relations board, and make the suggestion that their names are too much alike to permit of a general understanding of their respective functions and duties. I suggest that the minister consider, for public convenience and the convenience of hon. members, and others who may not do business daily with the boards, that a different nomenclature be adopted. They handle entirely different matters, so far as the labour field is concerned. It would be a great help to the public generally if the boards had names which distinguished their duties and functions more accurately than do the names now employed.

Mr. MacNICOL: What are the specific functions of both boards?

Mr. MITCHELL: One deals with labour relations, and the other with wages. The same principle is adopted in the United States. One deals specifically with the recognition of unions and working conditions, and the other deals with wages.

Mr. MacNICOL: Is there any reason why one could not be called a wages board?

Mr. MITCHELL: I shall give thought to the matter, and I thank my hon. friend for the suggestion.

Item agreed to.

Wartime bureau of technical personnel, $200,000.

Mr. MacNICOL: What are the duties of the bureau?

Mr. MITCHELL: That bureau is the selective service for the professional people, such as engineers, technicians and people of that kind. As a matter of fact it was the guinea-pig for selective service. The engineering and professional societies came to see the then Minister of Labour, and the old national labour supply council, and made the suggestion that with their cooperation we might try out the bigger principle of selective service among the professional people.

Mr. MacNICOL: And the officials are located where?

Mr. MITCHELL: In Ottawa, and right across Canada.

Mr. MacNICOL: Toronto, Montreal, and so on?

Mr. MITCHELL: Yes.

Mr. MacNICOL: In selective service offices?

Mr. MITCHELL: Yes; and we have an advisory council with representatives of leading societies in Canada.

Item agreed to.

Payments to the provinces in connection with training for aircraft manufacturing, the training of ground mechanics for the R.C.A.F. and providing educational refresher training for R.C.A.F. aircrew personnel, including undischarged commitments of previous years, $1,800,000.

Mr. MacNICOL: Does "payments to the provinces in connection with training for aircraft manufacturing" refer to technical schools? For instance, in Toronto in the

last few years many students have been trained for various work in reference to aircraft production, and have then been sent out to aircraft manufacturing plants.

Mr. MITCHELL: That is correct. The war emergency training programme was a big programme. We spent upwards of $20,000,000 on it, and trained between 330,000 and 350,000 people. We could not have done that without the assistance of every province. In a large degree we used technical schools, and the resources of the various provinces for that purpose. The army, navy and air force use them for basic training in mechanics.

Mr. MacNICOL: Would the students who train at the Toronto technical school, for instance, be paid while they are training?

Mr. MITCHELL: Oh, yes, they are paid.

Mr. MacNICOL: Is the school paid for the cost of teaching and other materials supplied?

Mr. MITCHELL: We paid out-of-pocket expenses to all the boards of education across Canada that cooperated.

Mr. BLACKMORE: I should like to ask a question with regard to men who had training and the necessary experience in the air force who rose to the rank of commissioned officer and then were found unfit for further operational duties, after which they were eased out of the force. The minister will remember that on Tuesday the hon. member for Acadia (Mr. Quelch) and the hon. member for Winnipeg North Centre (Mr. Knowles) asked what was being done with commissioned officers who were found medically unfit. I wondered if any provision is being made under this item to give men such as these training which will enable them to fit into other activities.

Mr. MITCHELL: Provision is made under the rehabilitation section, and men discharged from the armed forces can receive training under this plan.

Mr. BLACKMORE: Suppose an officer discharged from one of the armed forces decides to enter one of these schools; would he then be exempt from call-up while in the school?

Mr. MITCHELL: Yes, absolutely.

Mr. BLACKMORE: I was talking to-day with some boys who are greatly disturbed about the whole situation. It looked to them that the only course which would be open to them would be to enter some other activity in life, wait a few days and then be called into the armed forces and have to go through all the drudgery and misery which an ordinary recruit goes through and then probably not be able to rise to the rank of sergeant. They would thus suffer loss of money and loss of dignity and prestige.

Mr. MITCHELL: If a man has been discharged medically unfit from the army he has a right to enter a training class.

Mr. BLACKMORE: I am thinking particularly of the air force.

Mr. MITCHELL: From the army, navy or air force. There is nothing undignified in being a private in the army, navy or air force. I was one myself in the navy during the last war.

Mr. BLACKMORE: Did you go through it twice?

Mr. MITCHELL: I was there all the time, but there is nothing undignified in being a private.

Mr. BLACKMORE: What is bothering these boys is the possibility of having to go through it all again. They have gone through the misery of being a private once and they rose to the commissioned ranks. They are faced with the possibility of having to go through it all again. That sort of thing does not make these boys feel very good and I was just wondering if there is not some way out.

Mr. MITCHELL: I cannot imagine a situation developing such as that to which my hon. friend refers. If a man is discharged as medically unfit from one of the services I would think he is out of that service. As I said earlier this evening, we do not know how this war is going to develop or what may be necessary a year from now. I should not like to project my thought so far into the future. As I said before, however, I cannot conceive, once a man is medically unfit and discharged from the forces, that he will be called back again; that is under normal circumstances.

Mr. BLACKMORE: The minister will remember that when the matter was being discussed on Tuesday the question arose of a man being colour-blind to an extent to render him unfit for operational flights. That might result in his discharge, but it would not unfit him for duty in the army, and the result is he would be called up as soon as he got out of the air force.

Mr. MITCHELL: I would say that it is every man to his own last. I am running the Department of Labour, not the air force, navy or army. They have their own departments to worry about. Giving my own opinion only, I can see many reasons why a man might

become unfit to operate an aeroplane or carry out some specialized task in any one of the services, although he might be perfectly efficient for some other job. I think I referred to seasickness the other day. I suffered from it myself and I know what it is like. I can quite understand where a man would be discharged from the navy because he could not stand the motion of ships. There are many admirals in the British and other navies who suffer from seasickness. If such a man were discharged from the navy he might prove to be A1 for the air force or the army.

Mr. BLACKMORE: The difficulty arises from the fact that he may have risen in the ranks beyond the rank of sergeant. Then he is discharged and he finds he has to start all over again. I wonder if there is not some course of training he could take so that he would not have to go through that drudgery again.

Mr. MITCHELL: I have tried to be as plain as I possibly can. I understand that the air force have personnel advisers to advise their men as to what vocations they should follow when they leave the air force, and that there are developments along similar lines in the other arms of the fighting forces. We have to train them.

Mr. BLACKMORE: I understand the implication of the minister's remarks to be that where a man has entered one service and has done his bit, he ought to be entitled to go home and enjoy a bit of peace.

Mr. MITCHELL: I agree with that.

Item agreed to.

To assist in meeting the extra costs of universities in accelerating courses in medicine and dentistry and to provide financial assistance to students who are ineligible for assistance under-dominion-provincial student aid plan, $300,000.

Mr. MacNICOL: Does this apply only to professional men who are going into the armed forces?

Mr. MITCHELL: We have some control here. It applies to medicine, dentistry and the sciences. When the courses are completed the men who are fit have to go into the services. If they are not fit to enter the services we have the right to direct them where they will be most necessary, to industry or to other forms of endeavour in the war effort.

Mr. BURTON: How many students are involved in this plan?

Mr. MITCHELL: I have not the statistics in front of me, but I shall be glad to give them to my hon. friend to-morrow.

Item agreed to.

[Mr. Mitchell.]

Vocational training for discharged members of Canada's armed forces, including undischarged commitments of previous years, $780,000.

Mr. PERLEY: I should like to have a little information with respect to this item. How many of these vocational training schools have been established, particularly in the west? How many are taking courses at the present time? There seems to be some misunderstanding with respect to these courses. I have had some correspondence with the superintendent of vocational training in Ottawa and also with the district rehabilitation board at Regina. They started one of these schools in my home town, so that I know whereof I speak. Under the arrangements made with the man who took on the job of giving this training, provision was made for eight men. Six turned up to take the course, with the understanding that when they had completed a four months' course they would be given some assistance in becoming established and starting up. The course was in shoemaking, harness-making and repairing. Quite a lot of expense was gone to in changing over the premises and equipment, and then when one of the men who were taking this course was ready to start up for himself, he rented a place at Whitewood and prepared to start. Then he was informed that he could get no assistance. Of course it came to the attention of the others who were taking the course that possibly they would not get any assistance in starting up when they had completed the course. There evidently must have been some misunderstanding, in which the man in charge of the school shared, because it was understood by them all that they would get assistance in establishing themselves once they had completed the course. What are the arrangements made with those taking these courses? Also, how many of these vocational schools are being set up in Saskatchewan? I have correspondence here between the men and the department, but it is late and I shall not read it. It is, however, evident from the correspondence that there must have been a misunderstanding. The department says in one of its letters that it is surprised that the man in charge of the school had the impression that the men were to receive assistance in starting up. I presume the facts as to what was paid for turning over the establishment are confidential. I repeat my question. What arrangements are made with the men who are taking these courses? Are they to get any assistance when they are ready to start up for themselves, or are they not? I hold in my hand a bulletin entitled, "Post-war Planning Information," got out, I presume, by the minister's department, and it is clear

from this pamphlet that the men taking the course were to get assistance, not only so much a day for their keep and expenses while taking the course, but other assistance. How many similar courses have been started in Saskatchewan?

Mr. MITCHELL: We do the training and the placing of the men. Any further assistance would be under the jurisdiction of pensions and national health.

Mr. PERLEY: I will read the last paragraph on page 2 of this pamphlet, "Post-war Planning Information". It states:

> The reestablishment orders provide six types of maintenance allowances, plus other financial assistance, to ex-service men and women. . . .

And so on. Then it gives the rates for a single person, for a married person and so on, and it says that assistance will be given when they have finished their course.

Mr. MACKENZIE (Vancouver Centre): The six types of maintenance referred to are the benefits under the order in council. My hon. friend is probably quoting from one of the regulations with reference to benefits while the men are undergoing the training courses, so much for a married man, so much for a single person. I have not the exact figures, but approximately three thousand men who have been discharged from the forces have taken these courses. I shall be able to give my hon. friend the exact figures when my estimates are before the committee, also information as to the nature of the courses given and the places where they are being taken. We also give vocational guidance. The Department of Labour does the actual training for us. The benefits are given by the Department of Pensions and National Health, and the counselling is done by our expert advisers.

Mr. PERLEY: I have the correspondence here and I am prepared to pass it over to the minister. I know some of the boys who are taking these courses, and in view of the misunderstanding, I think they should be given some assistance in starting up for themselves. One fellow has finished his four months' course, and if the others are to be told that they will not get the assistance which they were promised in starting up after completing their course, it would hardly be fair to them because they certainly understood that they were to get such assistance. Even the man in charge understood it that way. Therefore I ask that special consideration be given to these men. I make the suggestion that the men who have finished their course be given assistance in establishing themselves, with the understanding that it shall be repaid, if necessary, after a certain given time, perhaps so many months. One fellow who has finished his course has a good chance to start up now in Whitewood. I make the plea that these men be given this assistance.

Mr. MACKENZIE (Vancouver Centre): Will my hon. friend send me over that circular?

Mr. PERLEY: I shall be glad to do so.

Mr. FAIR: What percentage of the men who took the training have found employment?

Mr. MACKENZIE (Vancouver Centre): A very high percentage. I have not the exact figure with me, but I shall be glad to get it for my hon. friend.

Mr. GREEN: Is there any provision for giving this vocational training to men who are in pensions hospitals? The suggestion has been made to me that men in pensions hospitals are unable to get different types of courses such as educational courses, training in handicraft and work of that type.

Mr. LaFLECHE: As soon as my estimates are before the committee I have a statement to make which I am sure will satisfy my hon. friend that the men in the hospitals of my colleague the minister of pensions do get the benefit of the Canadian Legion educational services. I speak with assurance because I have been inquiring into that matter for the past two days.

Mr. GREEN: I am referring to vocational training, which is a different matter from educational training. What provision is made for giving vocational training to men in hospitals?

Mr. MITCHELL: We just train in the field, not in institutions. I would assume that my hon. friend's question should be directed to the Minister of Pensions. We are training thousands of people, but we do not go into institutions.

Mr. GREEN: Is there any reason why vocational training could not be given to men in hospitals?

Mr. MITCHELL: No. I quite agree with my hon. friend. They may be doing it now; I do not know.

Mr. GREEN: Can the minister find out about that and let us know to-morrow?

Mr. ROSS (St. Paul's): Is this money paid to the individual who is being trained or to the people who are training the individual?

Mr. MITCHELL: It is paid to the provinces, as follows: Nova Scotia, $30,000; New Brunswick, $30,000; Quebec, $127,000; Ontario, $225,000; Manitoba, Saskatchewan, Alberta and British Columbia, $67,500 each. That is a tentative allotment.

Mr. FAIR: That is, $67,500 to Alberta and each of the other western provinces?

Mr. MITCHELL: Yes.

Item stands.

Progress reported.

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

Friday, May 5, 1944

The house met at three o'clock.

CANOL PROJECT

DEVELOPMENT OF OIL RESOURCES OF NORTHWEST AND YUKON TERRITORY

Hon. T. A. CRERAR (Minister of Mines and Resources): I wish to table an order in council relating to certain changes that are being made in the present arrangements with the United States government and Imperial Oil Limited with respect to oil development in the Northwest Territories, and in doing so to give the house a somewhat lengthy statement of the whole matter as it stands at the present time.

In tabling a copy of an order in council that has been passed relating to the development of the oil resources in the Northwest and Yukon Territories, I wish to make for the government the following explanatory statement. The members of the house will recall the exchanges of notes between Canada and the United States in reference to the Canol project. They were the following:

1. Exchange of notes June 27-29, 1942.

2. Exchange of notes August 14-15, 1942.

3. Exchange of notes December 28, 1942-January 13, 1943.

4. Exchange of notes January 18, February 17, March 13, 1943.

May I point out that the Canol proposals were first considered early in the year 1942. Less than six months before, the United States fleet had suffered heavy losses at Pearl Harbor; the disastrous losses of Hong Kong and Singapore followed, and the menace of Japanese submarines appeared on the west coast of North America. Shipping losses were heavy and tankers scarce. Japanese forces were in the Aleutians. The prospect of intensified submarine warfare and the possibility that it would be concentrated in an attack against coastal tanker shipments became a vital and primary consideration. In the circumstances the Canadian government readily acquiesced in the proposals of the United States government.

Under the first and second exchanges of notes approval was given to the United States government to:

(a) enter into contracts with a Canadian company to be selected by it, to drill wells on the leases and permits the company held or might later acquire, in order that the necessary supply of oil might be found;

(b) construct a pipeline from Norman Wells to Whitehorse in the Yukon, capable of carrying 3,000 barrels of oil daily;

(c) erect refinery facilities at Whitehorse:

(d) erect oil storage at Prince Rupert and construct a pipeline from Skagway to Whitehorse.

Under the third and fourth exchanges of notes approval was given to the United States to carry out an extended exploratory and drilling programme throughout the Northwest Territories and Yukon for the purpose of endeavouring to find additional sources of oil capable of producing from 15,000 to 20,000 barrels daily to supplement the supply from Norman Wells.

I have only briefly summarized the exchanges of notes as they are available to any member who may wish to read them.

The members of the house are familiar with the oil development that had taken place at Fort Norman. A number of petroleum locations were staked in 1914 some fifty miles below Fort Norman on the Mackenzie river and leases of certain of them were acquired by the Northwest company, a subsidiary of the Imperial Oil Limited. During the period between 1920 and 1925 that company drilled wells on its leaseholds and oil was discovered in commercial quantities. Owing to the distance from markets these wells were capped and remained closed until 1932 when they were opened to meet the demand for fuel oil and gasoline created by the mining of radium-bearing ores at Great Bear lake. An increase in consumption also arose from the opening of the Yellowknife mining field and as a result the company drilled further wells and installed additional refinery equipment.

At the beginning of the year 1942, five wells had been drilled and a refinery capable of processing 800 barrels of oil a day had been installed. By that time the company had expended approximately $1,500,000. The average production from 1932 to 1942 was about 20,000 barrels a year, or approximately 340 barrels a day during the summer season.

Following the understandings reached by the two governments, the United States War Department entered into contracts with Imperial Oil Limited. These contracts required the company to deliver 3,000 barrels of oil daily at stated prices, the United States government financing under certain conditions the costs of developing the additional deliveries of oil.

To facilitate the carrying out of the terms of the contracts, an area within a radius of fifty miles surrounding Norman wells was reserved and new regulations for the disposal under permit of petroleum and natural gas rights were established to apply to the reserved area. Subsequently, for the purpose of facilitating the search for the additional supplies of oil, the scope of the new regulations was extended to cover all of the Yukon Territory and that portion of the mainland of the Mackenzie district, Northwest Territories, lying west of a line seventy-five miles east of and paralleling the Mackenzie river from its mouth to Fort Providence and thence south to the northern boundary of Alberta. In view of the special nature of the development that was contemplated under the new regulations, provision was made that one-half of any location upon which oil was discovered, and any improvements thereon, would remain in or become the property of the crown.

In order to carry out its extended program of drilling and search for additional supplies of oil, Imperial Oil Limited acquired under these special regulations permits covering in all about 140,000 acres in the vicinity of the original discovery wells. An intensive drilling programme was carried out in the area immediately adjacent to the producing wells and as a result a proven field of oil has been delimited, comprising approximately 4,500 acres, estimated to contain from 30 to 60 million barrels of oil. The opinions of geologists differ as to the amount of the recoverable oil. The actual size of the pool will only be determined as further wells are drilled and it is found how much of the oil lying under the Mackenzie river can be recovered. Since the commencement of the Canol project, 40 wells have been drilled and of these 33 are producing oil. The present daily output of the field is about 3,900 barrels, which will be increased as additional wells are drilled.

Approximately one-third of the proven field is included in the old leases held by the company and two-thirds in the permits acquired under the special regulations, in which the crown has a one-half interest. Considerable exploratory work was carried out on the permit area outside the proven field. Some drilling was done on one likely structure but no oil was found.

While the drilling programme and the search for oil was going on, the United States War Department proceeded with the construction of the pipelines from Norman and Skagway to Whitehorse and also the supplementary pipelines and, as well, erected the refinery at Whitehorse and the storage facilities at Prince Rupert. During last summer an extensive geological exploratory programme was also carried on around the Norman wells and elsewhere in the Northwest Territories. The United States War Department has reported that $134,000,000 has been spent on these projects.

The above is a brief summary of the situation as it existed a few months ago when the United States government informed us that it desired to modify the original plan it had in mind for the finding and development of large sources of oil in northwestern Canada. Representations were made that because of the change in the military and strategic picture in the north Pacific—in fact in the whole eastern Pacific—the project from a military point of view had become of less importance. The pipeline from Norman Wells to Whitehorse had only a daily capacity of from three to four thousand barrels. It was suggested there were now no military considerations which would necessitate increasing its capacity. It was further suggested that there was no justification for the United States government continuing the exploratory and drilling programme, other than the drilling necessary to maintain the supply of oil for the existing pipeline. The proposal involved the withdrawal of the United States from the exploratory programme and a renegotiation of the contracts with the Imperial Oil Limited. The United States government considered that in view of the very large expenditures that had been made, it should be entitled to obtain from the company an option to purchase after the war at a fixed price a substantial amount of oil from the proven field and from new fields to be found by the company.

The company was prepared to renegotiate the contracts and to grant the option, but first wished to reach an understanding with the Canadian government as to the method by which the respective shares of each in the proven field and the area under permit would

be developed and, as well, to ascertain the terms of the regulations to be established for the development of the oil resources of the rest of the Northwest Territories and Yukon.

It has already been pointed out that the present pipeline has a capacity of from three to four thousand barrels daily or, in other words, not more than one million barrels a year can be transported to market. It is obvious that a much larger pipeline would be required to make a commercial operation feasible. In view of the difficult country through which it passes, the costs of operation and maintenance will undoubtedly be very high. For the same reason the cost of constructing a larger pipeline will be great. It has been estimated that it would cost at least $60,000,000 to construct a pipeline of the size required to permit commercial operation. It is also estimated that a reserve of not less than 300,000,000 barrels would have to be found to warrant such a large expenditure.

It therefore became necessary for the government to consider what regulations should be established for the exploration and development of the oil resources of this hitherto little developed part of Canada. There are approximately 100,000,000 acres of land warranting exploration for oil. May I remind the members of the house that Fort Norman is near the arctic circle, more than 1,100 miles by air and nearly 1,500 miles by land and water north of Edmonton. The closest outlet for oil is across the mountains to the Pacific, 700 miles away. Even when it reaches the coast it will have to be transported by tanker as far south as southern British Columbia before it reaches any substantial market and then it will come into competition with the oils of southern California. Because of the remoteness of the region from markets, the climatic conditions, and the difficulties of transportation, very much heavier expenditures will have to be incurred in exploring for and developing new fields than in the more settled parts of Canada. Regulations should therefore be established which will encourage exploration and development on a sound economic basis. Canada is dependent upon the outside world for more than 85 per cent of her requirements of oil. It is therefore important that new sources should be discovered. To the extent that the oil of the Northwest Territories can meet the requirements along the Pacific coast, so it will assist in easing our dependence on supplies from the United States.

The order in council which has been tabled sets out briefly the arrangement proposed to be made with the Imperial Oil Limited in regard to the proven field and the rest of the area now under permit. It also briefly summarizes the conditions to be imposed in the new regulations which will be passed immediately for the future development of the oil resources in the Northwest Territories and Yukon.

The agreement with the company will fix the share of the dominion in the proven field at one-third. The field shall be developed by the company as a unit operation, the company to furnish all the funds necessary therefor and the government to pay its one-third share of the actual direct cost of producing the oil, plus a management fee of 10 per cent. In addition to receiving a one-third share of the oil, the government is entitled to a royalty of 10 per cent on the one-third share included in the old leases. For accounting purposes it was decided to make the royalty applicable to the company's two-thirds share and the rate therefor was fixed at 5 per cent.

The government also has agreed that the company may give an option to the United States government to purchase for its own use but not for resale at cost plus 20 cents a barrel, an amount up to one-half of the oil recovered from the proven area, not exceeding 30,000,000 barrels, and that, in making up this one-half, the company may draw upon the government's share to the extent of one-third. The option is to be subject to the prior and preferred supplying of all the local requirements for oil and oil products. It should be mentioned that under the option the United States government will be required to take its oil currently as the field is produced, at the rate of 20 per cent of the total amount currently produced from the proven area for export.

The option is also subject to the condition that if the United States government does not desire to take its share currently, then the company shall be entitled to sell such oil on its own account, in which case the United States government would be entitled to any difference between the cost of production, plus 20 cents per barrel, and the average sale price received by the company for oil sold by it during the period in question.

In respect to the balance of the permit area, it is proposed that the company shall be entitled to exchange the permits now held for a new exploratory permit to be issued under the proposed new regulations. Such permit shall be subject to the terms and conditions thereof, except that in addition to paying the royalties to be provided for therein, the company will pay to the government 10 per cent of the net profit derived by it from any operation carried on within

that area, the profit to be computed as part of the royalty before the payment of income tax.

The government has also agreed that the company may include in the option to the United States government the right to purchase 10 per cent of any oil that may be found in the remainder of the permit area or in any other areas that may be taken up by the company under the new regulations, until a total of 60,000,000 barrels is reached, including that to be obtained from the proven field. The same conditions as stated above will apply to the United States government taking the oil at the rate of 20 per cent of the total amount currently produced. The total option, therefore, is limited in time; that is, it will expire approximately twenty years after a commercial pipeline has been constructed.

In respect to the new regulations to be established, the order in council sets out briefly some of the more important conditions that will be imposed. It is to the general advantage of Canada that an active program of exploration and search for oil should be carried out in order that new sources may be found and developed. The regulations will make available to all companies and individuals the opportunity of exploring and developing these resources.

In drafting the regulations it was necessary to keep in mind the remoteness of the country and the difficulties of operation. They must be sufficiently attractive to encourage exploration and development but at the same time the interest of the crown must be protected. Provision is being made for exploration permits of substantial size, provided a real effort is carried out to search for oil and to develop it when found. Very large expenditures will have to be made before a sufficient quantity of oil is found to warrant the building of a commercial pipeline to the nearest market. It may be many years before there will be any return on the capital invested. Further, there is no definite assurance that the required reserve of oil for the larger pipeline will ever be found. The rate of royalty, therefore, is being fixed on a somewhat smaller scale during the initial period of the development, the rate for the first five years being 7½ per cent for the second five years 10 per cent, and thereafter 12½ per cent.

The regulations will also provide for development being carried on in accordance with the best conservation practices. In addition, provision is being made to control the prices to be charged for petroleum and petroleum products sold for use in the territories.

The right is given to any lessee to construct and operate pipeline to the nearest market and for the purposes thereof a free right of way will be granted over crown lands. All pipelines shall be operated as common carriers under such regulations as the governor in council may impose.

Finally, the government will reserve the right to take possession at any time of all or any part of the areas held under permit or lease, together with the improvements, buildings and equipment thereon, including any pipelines that may be constructed, compensation being paid to the owner. Failing an agreement as to the amount of compensation it will be fixed by the exchequer court.

In conclusion may I say that now the urgency for finding new supplies of oil in the northwest for immediate military purposes has diminished, there are reasons why we should facilitate the withdrawal of the United States from those activities which were commenced when the urgency was critical. We are fully compensating the United States for the expenditures on the airfields constructed in the northwest which were made use of in connection with the Canol project. Upon the completion of the arrangements I have just outlined the participation of the United States in the exploratory and drilling programme, except in the proven field, will be terminated. The United States will still be interested, with the company, in maintaining the necessary supply of oil from the proven field for the existing pipeline and, as well, will operate and maintain the pipelines, refinery and storage facilities. All these operations will probably continue until the end of the war, when they will be dealt with in accordance with the conditions set out in the exchanges of notes.

I would like to add one further word. The government appreciates its responsibilities in doing everything possible to augment the supplies of petroleum on the north American continent. A country such as Canada which imports 85 per cent of its oil must energetically carry on the search for new sources of supply. I have confidence in the prospects of finding additional large fields in the northwestern part of Canada. While it is unfortunate the field developed at Fort Norman is too far away at present to supply the needs of central Canada and particularly the needs of the prairie provinces, there is reason to expect that favourable structures may also be found in the vicinity of Great Slave lake, close enough to justify the construction of a pipeline to the south. So far as this government is concerned, we propose to assist and facilitate the development of these resources in every way possible.

Mr. COLDWELL: Under what authority was this order in council passed? Was it passed under the authority of the War

Measures Act?—because I think it is of sufficient importance to have been the subject of ratification by statute in this house, when such a tremendous asset is being given away, and largely to one very large corporation. I realize the necessity of making an agreement with the United States government, but I object to anything of this sort being done by order in council when the house is sitting.

Mr. CRERAR: May I say in reply that my hon. friend does not state the facts correctly—although it may make a good impression in the country—when he says we are giving away these large resources.

Mr. COLDWELL: That is exactly what you are doing.

Mr. CRERAR: No; we are providing for the development of the resources, and providing for it under conditions which we think adequately protect the public interest.

Mr. COLDWELL: But the house should decide that.

Mr. CRERAR: The government has power to do it.

Some hon. MEMBERS: Oh, oh!

Mr. CRERAR: Oh, yes.

WAR LABOUR BOARD

INTERNATIONAL RAILWAY SERVICES—AUTHORITY TO APPROVE WAGE ADJUSTMENTS

Hon. HUMPHREY MITCHELL (Minister of Labour): Mr. Speaker, I lay on the table a copy of P.C. 3277, passed on May 4, 1944. This is an order which gives the National War Labour Board authority to approve adjustments of wages paid to persons in Canada engaged in international railway services.

STANDING ORDERS

CONCURRENCE IN FIRST REPORT

Mr. W. H. GOLDING (Huron-Perth) moved:

That the first report of the standing committee on standing orders, presented to the house on Tuesday, May 2, 1944, be now concurred in.

Motion agreed to.

PRIVATE BILLS

WESLEYAN METHODIST CHURCH OF AMERICA IN CANADA

Mr. G. J. McILRAITH (Ottawa West) moved the first reading of bill No. 92, to incorporate Wesleyan Methodist Church of America in Canada.

Mr. GRAYDON: I should like to ask the hon. member who is introducing this bill to explain it. Apparently it relates to church affairs and perhaps the house should have some explanation.

Mr. McILRAITH: Mr. Speaker, this bill provides for the incorporation of the Wesleyan Methodist Church of America in Canada. The church has been in existence in Canada since the latter part of the last century, and has some fifteen branches in Ontario and three or four in Quebec. In matters of organization, discipline and doctrine they are affiliated with and come under the Wesleyan Methodist Church of America conference. I understand that this church was not one of those that came under church union. I do not know that there is much I can usefully add.

Motion agreed to and bill read the first time.

PATENT APPLICATION OF CLAUDE H. PETERS

Mr. G. J. McILRAITH (Ottawa West) moved the first reading of bill No. 94, respecting a certain patent application of Claude H. Peters.

Mr. GRAYDON: May I ask the hon. member to explain the purpose of this bill?

Mr. McILRAITH: The purpose of the bill is to relieve the applicant, Claude H. Peters, from the prejudice caused to him by the failure of the registered Canadian patent attorneys through whom he filed his application to carry out their duties in connection with the application. In April, 1939, Mr. Peters' United States attorneys sent to the Ottawa office of a firm of Canadian patent attorneys, duly registered as fit to practice before the patent office, all the papers and a cheque for the fees required to enable the filing of an application for a Canadian patent. The attorneys in question acknowledged the papers and cashed the cheque, but instead of filing the application at once, as they should properly have done, they withheld filing until nine months later.

The Canadian application corresponded to a United States application filed in January, 1938. The patent on this application was issued in May, 1939, and under section 26(2) of the Patent Act, 1935, barred the grant of a patent on any subsequently filed Canadian application. In December, 1940, the patent office rejected the Canadian application on the ground of the previous issue of the corresponding United States patent. The Canadian patent attorneys in question neither reported this rejection to Mr. Peters nor to his United States patent attorneys, nor did they make any answer to it within the statutory period provided by the Canadian act. Mr. Peters' application accordingly became abandoned in June, 1941.

If the Canadian patent attorneys in question had fulfilled their duties towards Mr. Peters and had filed the application, neither of the present objections to the issue of a patent, namely, late filing and abandonment, would have existed. The bill goes no further than is necessary to overcome these two objections. It provides that the application shall be deemed to have been filed on the day before the issue of the corresponding United States patent and to have been duly prosecuted within the statutory time limits. It directs the commissioner to consider and act on the application accordingly. If, as a result of such consideration, the commissioner finds other objections to the grant of a patent on the application, the bill does not affect his authority in this connection. I might add that the firm of patent attorneys concerned were subsequently stricken from the list of registered Canadian patent attorneys.

Mr. GRAYDON: On these grounds?

Mr. McILRAITH: Yes.

Motion agreed to and bill read the first time.

THE EVANGELICAL LUTHERAN AUGUSTANA SYNOD OF NORTH AMERICA

Mr. RALPH MAYBANK (Winnipeg South Centre) moved the first reading of bill No. 95, to incorporate the executive board of the Canada conference of the Evangelical Lutheran Augustana Synod of North America.

Mr. GRAYDON: I know that my hon. friends wants to explain this bill, and he should have an opportunity to do so.

Mr. MAYBANK: I have no desire to rise to explain this bill, because there is very little explanation to be given. The bill is to provide for the granting of a charter to a church organization which needs such a charter in order to carry on its evangelical work in the best manner possible. This bill has had numerous counterparts in days not so far past. Every once in a while a bill similar to this is presented to the house to provide for a charter for some religious organization to permit the carrying on of its work. That is all there is to it.

Motion agreed to and bill read the first time.

FIRST READINGS—SENATE BILLS

Bill No. 93, to change the name of The Discount & Loan Corporation of Canada to Personal Finance Company of Canada.—Mr. Boucher.

Bill No. 96, for the relief of William Cowie. —Mr. Hill.

Bill No. 97, for the relief of Nita Marjorie Hammerich Ward.—Mr. Casselman (Grenville-Dundas).

Bill No. 98, for the relief of Margaret Kirsen Brown MacRae.—Mr. Casselman (Grenville-Dundas).

Bill No. 99, for the relief of Margaretha Cronauer.—Mr. Macdonald (Brantford City).

Bill No. 100, for the relief of Henry Rattigan. —Mr. Fulford.

HOUSING

EXTENSION TO WINNIPEG OF HOUSE CONVERSION PLAN

On the orders of the day:

Hon. J. L. ILSLEY (Minister of Finance): Some questions were asked me a few days ago about the extension of the housing conversion plan to the city of Winnipeg. I may say that an order in council has now been passed adding Winnipeg to the list of cities eligible for the application of this plan.

SHELL FILLING PLANTS

CHERRIER MUNITIONS—DEFENCE INDUSTRIES LIMITED

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): I should like to ask the Minister of Munitions and Supply a question with regard to a press reference to the fact that the Cherrier munitions plant, heretofore operated under the management of Canadian Car Munitions Limited, is about to be turned over for management to Defence Industries Limited. Is the minister in position to explain the reason for this change?

Hon. C. D. HOWE (Minister of Munitions and Supply): The change is simply a redistribution of management. The Canadian Car and Foundry company are operating a number of munitions plants. Recently they have been called upon to open shell capacity that has been closed and they have also suffered the loss of their general manager by death. Canadian Car Munitions asked to be relieved of the operation of this particular plant. The other shell filling plant is operated by Defence Industries Limited and after some pressure Defence Industries Limited agreed to extend its responsibilities to the operation of the Cherrier plant. The advantage of the new arrangement of having all shell filling plants under one management is that the allocation of work to the plants will be simplified.

WAR APPROPRIATION BILL

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

The house resumed from Thursday, May 4, consideration in committee of a resolution to grant to His Majesty certain sums of money for the carrying out of measures consequent upon the existence of a state of war—Mr. Ilsley—Mr. Bradette in the chair.

DEPARTMENT OF LABOUR

Vocational training for discharged members of Canada's armed forces, including undischarged commitments of previous years, $780,000.

Mr. MacNICOL: In regard to the latter part of this item, "including undischarged commitments of previous years", may I ask why these commitments of previous years were undischarged?

Mr. MITCHELL: The undischarged commitments amount to $30,000.

Mr. MacNICOL: Then this item of $780,000 consists of one item for $750,000, and an item of $30,000 for undischarged commitments of previous years—is that it?

Mr. MITCHELL: Yes. Yesterday the hon. member for Qu'Appelle asked a question as to assistance being given to shoemakers taking a course in his province. While this matter comes under the Department of Pensions and National Health, we thought it would be just as well to give an answer to the question to-day. Such assistance is available under section 7 of our post-discharge order, which authorizes the minister to pay a weekly maintenance grant to veterans engaging in an enterprise of their own and awaiting returns from it. No provision exists at the moment for the advancement of capital to enable them to set themselves up in business, but this question is at present under consideration by a subcommittee of a general advisory committee. The member for Qu'Appelle wanted to know if any promises had been made to the particular soldiers to whom he referred last evening as to giving them assistance in setting themselves up in business.

The hon. member for Battle River asked what percentage of the returned soldiers who have taken vocational training have found employment. The answer is that there is not the slightest difficulty in finding employment for those who have been trained. The training is objective in character and directed towards specific employment opportunities.

The hon. member for Vancouver South asked about vocational training in the hospitals. Vocational training in the full sense of the term is not and never has been given in active treatment hospitals. Occupational therapy, including handicrafts, is provided by the department for the restoration of lost or impaired functions. When the men reach the stage where they are physically capable of undertaking a course in vocational training, they will be ready for discharge to convalescent or reconditioning centres, where adequate provision is being made for training courses. In the meantime they can learn the principles of the trade in which they are interested through the medium either of correspondence courses available through this department or Canadian Legion textbooks. I stated that 3,000 have availed themselves of training; it should be 3,091.

The hon. member for Humboldt asked a question with reference to assistance to students, and with the permission of the committee I would ask to have this table printed in *Hansard*.

The CHAIRMAN: With the unanimous consent of the committee.

(The table appears on following page.)

Mr. PERLEY: The minister has replied to one of the questions I asked last night with reference to assistance to those taking a particular course. I have a letter here from one of the vocational training superintendents in Ottawa, which states that depending on the length of service it may be possible to give assistance to trainees who start up their own business, under benefit No. 3. I have not the pamphlet under my hand from which I quoted last night, but I assume that under that benefit they would be eligible for the assistance in setting themselves up in business which they certainly understood they were going to get.

Mr. MACKENZIE (Vancouver Centre): Yes. I understood my hon. friend to say that this course was only a four months' course. They are entitled to a total of fifty-two weeks, and if they do not exhaust all the benefits of vocational training they are then entitled to benefit No. 3 while they are awaiting returns from the enterprise. That is the additional assistance my hon. friend referred to last night.

Mr. KNOWLES: Has the Minister of Labour secured the information I asked for a week ago to-day, when I suggested that the statistics on page 799 of *Hansard* as to the total applicants registered at employment offices be brought up to date?

Mr. MITCHELL: I have those figures here, if my hon. friend would like to have them.

ASSISTANCE TO STUDENTS 1943-44

Dominion-Provincial Fund	* General Section	Medicine	Dentistry	Engineering		Science		Forestry	Hospital Nurses	Teachers	Technical School Students	Provincial Funds		Dominion Funds	
				1st Year	Other Years	1st Year	Other Years					Grants	Loans	Grants	Loans
												$	$	$	$
Prince Edward Island	1	2											350.00		350.00
Nova Scotia		5			18	4	3			43			6,905.00		6,905.00
New Brunswick		21	4	6	17	7	5	1		31			12,312.50		12,312.50
Quebec	111	117	33	47	107	122	100	12	80		154	50,522.38	38,254.87	50,522.38	38,254.87
Manitoba	2	25			3	1	2						6,007.50		6,007.50
Saskatchewan	32	43	1	25	31	11	6		19	366		11,505.00	6,111.50	11,505.00	6,111.50
Alberta	19	14	14	10	40	2	9		22	25		8,892.50		8,892.50	
British Columbia	42	65	9	38	30	12	12		2	64		24,923.00		24,923.00	
Special Dominion Fund															
Nova Scotia		21	4	10	17	7	7	1						1,925.00	17,842.00
New Brunswick				2	1	1		3							1,800.00
Quebec		6	1				4								2,750.00
McGill		3		3	9		3							150.00	4,395.00
Manitoba			2	3	18	1	10							1,745.00	5,725.00
McMaster University							7							350.00	1,235.00
University of Western Ontario		28					4							2,925.00	7,647.00
Queens University		49		5	55									5,715.00	42,461.00
University of Toronto		47	23	8	49		6	2						6,699.00	30,724.00
	207	446	91	157	395	168	178	19	123	529	154	95,842.88	69,941.37	115,351.88	166,520.37

Total Disbursements ..... $ 447,656.50
Total Number of Students 2,467

* Provides a limited amount for students in any year, in any faculty—mainly Agriculture, Home Economics and Arts.
The upper half shows assistance given under Cooperative Student Aid Schedules of the Youth Training Agreements.
The lower half shows assistance given under Special Dominion Agreement with funds from War Appropriation.

Mr. KNOWLES: Can they not be placed on the record?

Mr. MITCHELL: They would fill up nine or ten pages of *Hansard*.

Mr. KNOWLES: The information given on page 799 of *Hansard* covers six different periods and takes only one page of *Hansard*.

Mr. MITCHELL: I have a summary here which I shall be glad to have printed in *Hansard*, with the permission of the committee.

The CHAIRMAN: With the consent of the committee.

Mr. MITCHELL: The summary is as follows:

Total applicants registered at employment and selective service offices by provinces as at March 2 and March 30, 1944, were as follows:

	March 2, 1944	March 30, 1944
Prince Edward Island	287	219
Nova Scotia	2,233	2,098
New Brunswick	1,778	1,602
Quebec	26,253	25,737
Ontario	20,892	19,425
Manitoba	3,997	3,613
Saskatchewan	2,145	1,844
Alberta	2,987	3,243
British Columbia	8,043	7,513
Total	68,615	65,294

Total applicants referred to jobs were as follows:

	March 2, 1944	March 30, 1944
Prince Edward Island	102	91
Nova Scotia	797	802
New Brunswick	926	850
Quebec	13,370	12,220
Ontario	10,842	10,290
Manitoba	1,048	935
Saskatchewan	643	445
Alberta	839	982
British Columbia	2,830	2,982
Total	31,397	29,597

Net Registrations in process of placement were as follows:

	March 2, 1944	March 30, 1944
Prince Edward Island	185	128
Nova Scotia	1,436	1,296
New Brunswick	852	752
Quebec	12,883	13,517
Ontario	10,050	9,135
Manitoba	2,949	2,678
Saskatchewan	1,502	1,399
Alberta	2,148	2,261
British Columbia	5,213	4,531
Total	37,218	35,697

Requests for employees in process of being filled were as follows:

	March 2, 1944	March 30, 1944
Prince Edward Island	133	199
Nova Scotia	5,897	5,956
New Brunswick	3,239	3,713
Quebec	47,108	42,410
Ontario	61,846	64,162
Manitoba	4,125	5,879
Saskatchewan	3,109	3,389
Alberta	3,765	5,117
British Columbia	9,876	11,657
Total	139,098	142,482

Mr. PERLEY: The minister did not answer my question as to what other vocational courses are being given in Saskatchewan and how many men are taking the courses. How many schools giving courses of any kind have been started in military district No. 12?

Mr. MITCHELL: We keep those records not by military districts but by provinces. We have the gross enrolment in each province but not the number of schools.

Mr. PERLEY: How can you have the gross enrolment without knowing the number of schools?

Mr. MITCHELL: That is quite true, I have not got it broken down by schools, but I have the gross enrolment.

Mr. PERLEY: Let us have the enrolment.

Mr. MITCHELL: It covers every province in the dominion. Perhaps my hon. friend would prefer that I should put it on *Hansard*.

Mr. PERLEY: I think it would be all right to have it now. It may be interesting to other hon. members.

Mr. MITCHELL: The total in the dominion is 2,056, distributed as follows: Nova Scotia, 38; New Brunswick, 49; Quebec, 547; Ontario, 359; Manitoba, 233; Saskatchewan, 182; Alberta, 309, and British Columbia, 339.

Mr. LOCKHART: Would the minister indicate to what extent the rehabilitation grants, whether in his department or in any other, have progressed as regards giving further aid to men who, having taken vocational courses, are prepared to set themselves up in business if they could obtain a small grant similar to that received by the soldier who is being rehabilitated? I think that such a grant might be accorded to men who have taken these vocational courses. I know that the Minister of Pensions and National Health is conversant with this matter. Only to-day I received another letter of the kind that I handed to the Minister of Pensions

and National Health when in private conversation with him. The writer states that if he had around $100 it would enable him to finance a little project which he has in mind in a line for which he has become trained. I know that the Minister of Pensions and National Health is familiar with the arguments for this proposal, because we have discussed it. In this letter the writer points out that thousands of dollars will be available to veterans who start on the land, and he asks, "Is there any possible chance that I could get $100, or $200 at the most, to finance a little venture which I want to undertake?" Will some small amount of assistance be given to men who are vocationally trained?

Mr. MACKENZIE (Vancouver): If I may intervene once again: as the minister said a few minutes ago, the only assistance given now is what you might call maintenance benefits. No individual advances have been made so far. The whole situation is now being reviewed by a subcommittee. We are looking into what is being done in New Zealand or Australia along the lines suggested by my hon. friend. What the ultimate policy will be I am not prepared to state at the moment, but the matter is being looked into.

Mr. BRUCE: May I ask the minister a question arising out of the statement he made last evening, as reported in *Hansard*, page 2625, when, speaking of call-ups, he said:

. . . we are continually reexamining those men who have been turned down, particularly by individual physicians.

I am aware of the fact that, for many reasons which we need not enter into, family physicians have been placing certain men in a lower category; can the ministers tell us how many of these men were raised to a higher category as a consequence of further examination by boards?

Mr. MITCHELL: May I point out that the item to which the hon. member refers is passed and gone. I do not want to be too sticky about it, but I do not want to get into a general discussion such as we have had for the last four days.

Mr. BRUCE: The minister need not answer to-day.

Mr. MITCHELL: I shall be glad to have it looked up and the information given to my hon. friend.

Mr. PERLEY: I think the minister is going to give us the number of those schools and where they are.

Mr. MITCHELL: I can get that for my hon. friend.

Mr. PERLEY: According to the figures cited by the minister, three provinces have the greater share; one in particular has more than twenty-five per cent of these students. It would be interesting to know what courses they have been given, and the number in each province.

Mr. MITCHELL: I shall endeavour to have those particulars for my hon. friend before the close of this afternoon's sitting.

Item agreed to.

War emergency training programme, administration, $40,460.

Mr. MacNICOL: Are these administrative costs applied to the expenditure of the $4,000,000 in item 4, the $1,800,000 in item 5, and the $780,000 in item 7?

Mr. MITCHELL: These administrative costs are the costs in my own department in Ottawa, the costs of the division. As my hon. friend will appreciate, the war emergency training programme was decentralized and most of the money was spent in the provinces.

Mr. MacNICOL: And included in the other provinces?

Mr. MITCHELL: That is right.

Mr. MacNICOL: This applies to Ottawa only?

Mr. MITCHELL: That is so.

Mr. MARSHALL: Is the minister in a position to give the total expenditure in respect of administration for the whole dominion?

Mr. MITCHELL: I understand we have not the information complete from the treasury, but I hope to have it before the end of the afternoon.

Item agreed to.

Stabilization of longshore labour (Halifax), $450,000.

Mr. MacNICOL: Will the minister explain?

Mr. MITCHELL: This item is in connection with the loading and unloading of ships at the port of Halifax. As most hon. members appreciate, Halifax prior to the outbreak of war was largely a seasonal port. Owing to conditions, particularly on the St. Lawrence, since the outbreak of war it has become largely an all-year-round port, and what we had to do for the continual operations was to lay down a policy which we thought best fitted to serve the needs of a port as important as the port of Halifax. After investigation, we established a hiring hall, rather than the old system of what they call "look and see"; and in addition to that we established a guaranteed weekly wage in the port of

Halifax somewhat similar to what they have in other parts of the world. We also built accommodation for a labour pool there to house approximately, I think, 750 men who when not engaged in longshore work are put to work at any employment which is available at that particular moment. Also recently we have established there what we call a port battalion, somewhat similar, I understand, to what they are using in the United States.

All these arrangements were made in conjunction and after consultation with the longshoremen's organization in the port of Halifax. May I in passing, Mr. Chairman, pay a tribute to Mr. Joseph Ryan, of New York, international president of the longshoremen's organization, and also the longshoremen's organization in the port of Halifax and the stevedoring companies, for the degree of cooperation which they have shown in our policies in organizing the port of Halifax so that it can carry the added burden of the number of ships which have to be loaded and unloaded in that important port at this time.

Mr. ISNOR: I was indeed pleased to hear the Minister of Labour refer in such glowing terms to the splendid work being carried on by the stevedores at the port of Halifax. Last year I raised the question of the value of the labour pool and the minister was good enough to say that a pool had been organized in which he hoped to employ 750 men not only to provide labour but to expedite the handling of freight at the waterfront, and also to provide emergency labour for other purposes. As I said before, it is good to hear the minister refer so appreciatively to the fine work being carried on by longshoremen at the port of Halifax. Would the minister be good enough to let us know what this labour pool consisting of 750 men has cost, the number of men actually employed, the amount of money that is paid through the labour pool, and the revenue derived from individual firms or private concerns who make use of those men?

Mr. MITCHELL: I have the figures here. The total amount of wages paid to the longshoremen last year by the stevedoring companies and the amounts guaranteed by the government for the weekly wages are $3,111,482.47. The cost of the guarantee was $465,367.58, which represents 14·9 per cent of the total wage bill. May I say that we anticipate with the more smooth running of the organization, after it has been established, there will be a much larger figure to report in the next financial year.

Mr. ISNOR: I am not sure whether the minister gave a full answer to my question. What has been paid by private firms for the use of those men?

[Mr. Mitchell.]

Mr. MITCHELL: I thought I gave that figure. It is $2,646,114.89.

Mr. ISNOR: The difference would be—

Mr. MITCHELL: $465,367.58.

Mr. ISNOR: Have you made use of the port battalion?

Mr. MITCHELL: The arrangement is to the effect that the port battalion does not come into operation until there are no available longshoremen. It has been used on a number of occasions. I want it clearly understood that we did not put the port battalion in there until we had consulted the employees and the employers.

Mr. MacNICOL: The labour difficulties have been eliminated?

Mr. MITCHELL: I think they have been.

Mr. MacNICOL: At Halifax?

Mr. MITCHELL: I went down to Halifax two years ago and looked over the situation. I do not know whether I should use this language or not, but I think the longshoremen were treated like sheep. That is my honest opinion. It was just a question of organizing a building and hiring hall. I am not blaming anybody. I think it was something that had grown up largely because of the seasonal nature of the operations down there. They have now a hiring hall, and we have built canteens for the labour pool which has accommodation for 750 people at the port of Halifax.

Mr. MacNICOL: I am convinced that someone deserves credit for eliminating any labour troubles that there were in the port of Halifax, particularly in war time. As the minister said—

Mr. ISNOR: There was never any real labour trouble there.

Mr. MacNICOL: We did have some trouble there a year or two ago. Ships were held up in the harbour. Does the hon. membor for Halifax not remember that?

Mr. ISNOR: Yes, I remember that. There was a slight difference but there was no real labour trouble.

Mr. MacNICOL: Do not say there was no labour trouble when I say there was.

Mr. ISNOR: There was no real labour trouble.

Mr. MacNICOL: Because I want to give the department credit for eliminating trouble there. We just heard the minister say that some $400,000 odd were paid out, as I understand it, to eliminate the trouble and give the men proper treatment. It was only foolishness to expect men to stay there if they were to

remain unemployed waiting for ships to come in or go out. Personally I think a good job was done down there, even if it cost the country some $400,000 to get munitions loaded on the ships. Am I not right in that?

Mr. ISNOR: Right. Would the minister touch on the contracts with respect to the handling of Canadian National Railways freight? Does that come under the minister's department?

Mr. MITCHELL: No.

Mr. DIEFENBAKER: I read an address delivered recently by one of the directors of man-power in the maritimes. It had to do with the matter of assisting the longshoremen. It went on to point out that a soldier labour battalion of 350 men had been set up and it was now being utilized at that port. Was this labour battalion recruited for overseas service, or is it a battalion of home defence men to be used in Canada?

Mr. MITCHELL: I do not know the status of the battalion except that the men are in uniform and under military discipline. Whether they are home defence men or not I could not say; I do not know. I have been down there and seen them. I did not make any inquiries. What I was most concerned about was to turn ships around.

Mr. DIEFENBAKER: I am wondering whether they are overseas men or not.

Item agreed to.

Wartime labour relations board, $175,000.

Mr. MacNICOL: Without adding to the minister's difficulties I would ask him to give us a complete picture of the work that is to be done by the wartime labour relations board and the personnel of it; whether they move around the country from one place to another or whether they are located here in Ottawa.

Mr. MITCHELL: The wartime labour relations board has recently been established. It arose out of representations made by both employers' organizations and labour organizations before an inquiry made by the national war labour board. The code deals with the contractual obligations between employers' organizations and employees' organizations, but not with wages. Arising out of the report of the board a meeting was held with the representatives of the ministers of labour, or those responsible for the departments of labour, of all the provinces of Canada, which resulted in an agreement upon the principle of compulsory collective bargaining by law. Following that meeting a code was drafted in my department, having in mind the various viewpoints expressed by different organizations with respect to the matter. That code was then sent to all the provincial governments in Canada, and to the dominant labour organizations and employer organizations, and resulted in the present code. We thought that we had done a pretty fair job with the original code; and having sent it to all these different organizations I may tell this committee that a total of 170 amendments were suggested by the respective organizations. I do not need to tell this committee the difficulty of trying to bring some form of harmony out of so many varying points of view, and to the credit of the draftsmen I say that after this was done the code itself received the acclaim of the general public and also of the responsible trade union labour organizations. The board has been set up, composed of equal numbers of representatives of employers and employees, with a chairman and vice-chairman. The chairman is Mr. Justice G. B. O'Connor, Edmonton, Alberta, and the vice-chairman is Mr. Justice J. N. Francœur, of Quebec City. Representatives of the employees are Mr. A. R. Mosher, of the Canadian Congress of Labour; Mr. Fred Molineux, of Hamilton, representing the Trades and Labour Congress of Canada; Mr. W. L. Best of Ottawa, representing the railroad brotherhoods, and Mr. R. Harmegnies of St. Joseph d'Alma, Quebec, representing the Canadian and Catholic Federation of Labour. Representatives of the employers are Mr. W. H. Browne of Toronto, representing the Canadian Chamber of Commerce; Mr. Albert Deschamps of Montreal, representing the contractors; Mr. A. J. Hills of Montreal, representing the railways; and Mr. Harry Taylor of Toronto, representing the Canadian Manufacturers Association. The chief executive officer is Mr. M. M. Maclean, director of industrial relations, Department of Labour, Ottawa.

In addition provincial boards are being set up, on a basis somewhat similar to the wages control policy. As hon. gentlemen know, constitutionally the jurisdiction in these matters is provincial; and in a country as large as Canada by the very nature of things, if you are to be successful, you must decentralize your operations. So that at the moment agreements are being negotiated with six of the nine provinces, with the end in view of putting the code into operation in those provinces. Already we have negotiated an agreement with Ontario—I think I tabled the order in council yesterday—where a board will be

set up somewhat similar to the national board, on which there will be a chairman, three representatives of labour and three representatives of the employers. British Columbia has approached the problem from a somewhat different angle, in that there the minister of labour will administer the code. In six other provinces agreements are in process of negotiation at this moment, and I am hopeful that they will be concluded within the next two or three weeks.

Mr. MacNICOL: Is this the board which is now sitting in Windsor?

Mr. MITCHELL: Yes.

Mr. MacNICOL: Then in addition to the officers mentioned by the minister I read in the press yesterday that there is an umpire, and I was very glad to see that the umpire operating in Windsor is—

Mr. MITCHELL: Your old friend.

Mr. MacNICOL: Yes, I like to call him a friend of mine; I have always known him to be very competent in labour matters. I am referring, of course, to Mr. Bernard Rose, K.C., of Montreal. Is that an office in addition to those mentioned by the minister?

Mr. MITCHELL: No, and I will tell the committee how that came about. Normally this dispute would have come under the jurisdiction of the Ontario regional board, but those negotiations have not been finalized by order in council. It was necessary to have an act passed by the legislature and then for the government of the province to pass an order in council under that act setting up the board; we had to do something the same here in Ottawa. That was the constitutional procedure. In the case of the Ford dispute we made available through the national board to the company and the workers an impartial umpire whose findings would be final after the decision was rendered.

Mr. KNOWLES: I should like to say a few words in connection with the set-up of the wartime labour relations board under P.C. 1003. I appreciate the statement of the minister that this labour code represents a step in the right direction and something long overdue in this country. I also appreciate the difficulties under which the government labours in view of the fact that in peace time at any rate labour matters thus far have been assigned to the provincial governments. However, while expressing approval of the attempt that has been made to establish a labour code, I do feel that there are two or three points in the order in council which will need to be watched very closely. If I may refer to the points I have in mind, my feeling is that the wording of the order in council is neither sufficiently strong nor sufficiently clear to guarantee that the rights which it is desired to have and to protect will be secured.

First I should like to refer to the matter of compulsory collective bargaining. It does seem to me that in this day and age it ought not to be necessary to argue that the full implementation of the principles of democracy in a country such as ours calls for the establishment of the principle of collective bargaining. As the minister can very well point out, sections of this order in council would seem to indicate that it has that purpose, and that the order guarantees collective bargaining. For example, I refer to subsection (2) of section 10, which reads:

> The parties shall negotiate in good faith with one another and make every reasonable effort to conclude a collective agreement.

I am trying to be as fair as I can about this matter. The fact that the word "shall" is there does seem to give a good deal of force to that section, and might seem to answer my question as to whether or not compulsory bargaining is provided by this order. Then there is paragraph (e) of subsection (1) of section 25 which reads:

> If a question arises under these regulations as to whether—
>
> (e) an employer, or certified bargaining representatives of employees, is negotiating in good faith; the board shall decide the question and its decision shall be final and conclusive for all the purposes of these regulations.

Again I say that would seem to indicate that it is the purpose of this order to guarantee that there will be collective bargaining, and the wording might seem to imply that it will be carried out. However, as the minister knows, lawyers have ways and means of finding loopholes in orders like this and of getting around the clear intent of such orders. I would direct his attention to the fact that sections 19 and 20, which list unfair practices, do not contain any reference to the refusal of an employer to enter into collective bargaining.

If I may refer back to the several sections grouped under the heading "Negotiation of Collective Agreements," including sections 10 to 14, I would remind the minister that although there is the subsection which says that parties shall negotiate in good faith, that subsection is followed by a number of subsections and by further sections which, to my way of thinking, provide for considerable delay. It seems to me that opens a loophole for employers to avoid the obvious intent of the government in bringing down this order,

namely, that collective bargaining in industry should no longer be a pious hope, as we used to say it was, but a reality.

Perhaps I should not go too far in putting words in the minister's mouth, but I imagine one of his replies to me may be that this matter is in the hands of an exceptionally good board which can be counted upon to interpret these regulations in the best possible manner, having in mind the purpose of the order. I must remind him, however, as he knows perhaps even better than I, from his longer experience in this field, that employers are adept at finding ways and means of avoiding collective bargaining. If there are loopholes such as I have suggested, particularly the delays provided for in sections 10 to 14, and the lack of any mention of refusal to bargain collectively under "unfair practices," it may be found necessary in due course to amend the order with that point in mind.

I feel there is no necessity for my arguing with the minister that we should have collective bargaining in Canada, and that it should be not just a pious hope but a compulsory provision. I am urging the minister to-day to watch very closely the operation of the board which controls the administration of the order to see to it that if there is any failure to realize the purpose of the order, it is corrected in those respects.

Another matter I would mention to the minister is that of the outlawing of company unions. Here, too, I feel that the order is not clear enough; it is not ironclad. As a matter of fact I cannot help feeling disturbed as I go through the order and see repeated time and again the expression "a trade union or employees' organization." Those terms always appear side by side. We need not waste any time arguing over the fact that there are many legitimate independent trade unions. I realize that in the order there must be a phraseology to protect the rights of such legitimate and independent trade unions. Yet I have the fear that the language which runs through this order is an open door to the organization of the company unions. In fact it seems to me that the only way to avoid encouraging the organization of company unions is definitely and conclusively to prevent and to prohibit their organization as a part of our Canadian industrial organization.

There are several sections, in this connection, to which I wish particularly to refer. I would direct the attention of the committee first of all to paragraph (i), subsection 1 of section 2 of the interpretation section, which defines an employees' organization as an organization of employees formed to regulate relations between employers and employees. Something ought to be done to that section to make sure that company unions cannot meet that definition.

Mr. MITCHELL: What would my hon. friend call a company union?

Mr. KNOWLES: A union dominated by employers in various ways. I know that under the unfair practices provisions there is section 19, subsection 7, which states that no employer shall dominate or interfere with the formation or administration of a trade union or employees' organization.

Mr. MITCHELL: What more can you get than that?

Mr. KNOWLES: Let me read another section under the same unfair practices division. I direct the attention of the minister to section 20(2), which states:

> Except with the consent of the employer, no trade union or employees' organization and no person authorized by the union or employees' organization to act on its behalf, shall attempt, at the employee's place of employment during his working hours, to persuade an employee to join the trade union or employees' organization.

My contention, for example, is that right there you have the possibility of an employer refusing consent to the organizers of a legitimate union to carry on their organizational activities on a company's property, but giving that consent to the organizers of a union subservient to the employer, even though that subservience is kept in the background.

Mr. MITCHELL: My hon. friend cannot read that into the section. I cannot let that go. I do not wish to interrupt him, and I am not going to try to read a lecture on trade union practices, but I must say he is reading something into the regulations that just is not there. He is building up a straw man. I know how difficult it is when you are in the country, talking the troops up. In the country you have to do that sometimes—but not here. I cannot just let that statement go. Those who prepared these regulations know something about trade union practices, just as well as my hon. friend. They have agreed to this. We know all about employees' organizations. My hon. friend agrees there may be some good employees' organizations. But what more could be put down on paper, under these unfair practices regulations, which must be administered by employers and trade union representatives? What more could we put down on paper in connection with a question dealing with company unions and unfair practices? Let us be honest about it.

Mr. KNOWLES: To use the minister's expression, if I were talking to the troops outside I would not be talking with the same restraint, nor would I be using the appealing language I am using in talking to the minister this afternoon. I have already pointed out that this order, and the attempt behind it, evokes a certain amount of appreciation. I have already admitted, in advance, his argument that the matter is in the hands of a well-chosen board, and that a good deal depends upon administration. But I am trying to suggest to him that if I can find little loopholes, such as those I have pointed out, then surely others who are anxious to avoid the government's intention in the order will find not only the loopholes I have pointed out, but will find others, perhaps even in section 19(1). I am asking the minister to watch very closely the operations of the board, and to see to it that they do not result in the increase of the organization of company unions in Canada.

There are only two other matters to which I would refer. I would first go back to sections 10 to 14, which come under the general heading of the negotiation of collective agreements. It seems to me that these sections offer the possibility of a great deal of delay occurring. I think I know what the minister's answer will be. He will say that it is war time and that if at all possible strikes must be avoided. To that we say, "hear, hear," but when you are trying to lay down a labour code that carries out the principles of democracy, a code to which the government ought to be able to point with pride, a code about which they should be able to say to the troops overseas, "This is what we have done for you; this is the kind of industrial organization you will come back to after you have fought for us on the other side," you should try to endeavour to avoid too long delays. As I say, I am afraid that will be the result of the applications of sections 10 to 14 of the regulations.

There is one other point to which I should like to refer, and about which the minister may say that I do not understand what is being done. I am concerned about the operation of section 5, subsection (2), particularly the latter part, which states that for the purposes of the section an employee shall be deemed to be a member of a trade union if he has requested the trade union in writing to elect or appoint bargaining representatives on his behalf. I should like to know whether that section makes it possible for bargaining representatives to be chosen by the open circulation of a petition which the men would sign, everyone knowing who has signed it, and so on. The employer in particular would have this information. That would seem to me to be not as desirable as the selection of bargaining representatives by secret choice. If this section permits the employer to know who is joining a legitimate union or what employees are refusing to join what is substantially a company union, it seems to me that it should be amended.

The minister and I could have a hot argument about this, but I am trying to avoid that to-day. I am rather taking the position that there is good in this order, but despite the acclaim and approval with which it has been received I feel that there are some points which are weak and which may result in the purpose of the order not being achieved. I am asking the minister, under whose supervision this board functions, to watch very closely these points and any others that may arise during this discussion.

Mr. MITCHELL: My hon. friend apparently thinks that there is a lot of good in the order, but it is hard to find. That seems to be the attitude he has taken. I do not profess to be as expert on trade union negotiations as my hon. friend.

Mr. MacNICOL: You are practical.

Mr. MITCHELL: May I say to my hon. friend that the best men in this country have applied themselves to this. Let me pay a tribute to the provincial governments for the cooperation they have given, and also to the trade union leaders and employers' organizations. We may not be as perfect as my hon. friend; we are just plain, everyday practical people who like to face up to things in a practical way. I am sorry that we are not quite as far-seeing as my hon. friend. I often wonder what kind of world this would be if certain people were charged with the responsibility of drafting legislation and directing the affairs and destinies of this or any other nation.

This is an imperfect world in which we live. By this document we have endeavoured to give something that will fit the needs of the employers' organizations, the employees and the government of the dominion. I am not going to interpret the code, because that is not my business; that is the business of the national wartime labour relations boards and the other boards which have been set up for the purpose. If there are any defects they will come to life in the application of the order by those directly in charge of it and in no other way.

Mr. KNOWLES: The minister was responsible for the code coming into effect.

Mr. MITCHELL: I will take the responsibility; you do not need to worry about that. I know a lot about the company union story. I know how I was speared by certain people at one time when the going was pretty tough in this department. Let me say that I have never believed in company unions and I hope I never shall. We have endeavoured to fashion this document in order to avoid if humanly possible the old company union conditions of years ago coming into the present labour picture in this country. As I say, the code will be administered by these different boards and in the light of its application it may be found to require amendments. I do not know of any legislation that has ever been passed that did not require amending at one time or another.

Mr. RAYMOND (Translation): Mr. Chairman, I wish to direct some questions to the minister. Is it within the powers of the board to enforce the fulfilment of the conditions of collective bargaining agreements entered into by employers and employees? Could the minister answer that question?

Mr. MITCHELL: The boards will look into that. We always are careful about that.

Mr. RAYMOND: There was some trouble a short time ago at the Aluminum company at Shawinigan Falls. A number of employees were discharged even though there was a collective agreement between the company and the employees. Has the minister received any complaint from the employees to the effect that one of the conditions of their agreement was not lived up to? Section VII of the collective agreement reads in part as follows:

> The right to employ, dismiss, transfer, suspend, promote, demote and otherwise deal with the employer's employees belongs exclusively to the employer but the exercise of such rights shall be with due regard for character, ability, family status, length of service and place of residence.

Many employees were dismissed without that section being considered. Their length of service and place of residence and so on were not considered. The newspapers reported that a national selective service man was located at the factory to see that as these men were dismissed they received their calls for training. I should like to know if the board has endeavoured to see that this section is respected.

Mr. MITCHELL: I think my hon. friend is referring to the dispute at Shawinigan Falls with the Aluminum Company of Canada.

Mr. RAYMOND: The lay-off there of employees.

Mr. MITCHELL: Yes. In conjunction with the province of Quebec we set up a commission, the chairman of which is Mr. Cyprien Miron, who is one of the senior officials of the Department of Labour of the province of Quebec. The other two members are Mr. Paul Fournier, the president of the Montreal trades and labour council, and Mr. Tellier who represents the National Catholic syndicate. We are expecting a report from the commission within the next few days. I might point out that this dispute took place before the code was put into operation.

Mr. RAYMOND: The minister has no further information to give the committee?

Mr. MITCHELL: No. As soon as the report comes in it will be made public.

Mr. MAYHEW: I do not want to make a speech, Mr. Chairman, but I want to bring to the attention of the department and the members of the committee an organization we have in Victoria that I believe would serve as a pattern for good relationships between labour and management, a pattern that might well be followed in labour relations generally throughout the country. The organization is know as the Vancouver Island joint labour conference. It is a loosely knit group of some forty unions of different jurisdictions, but it is gaining good will for the workmen on the Pacific coast. It represents some 9,800 members in different unions, under the American Federation of Labour, the Trades and Labour Congress of Canada, the C.I.O., the Canadian Congress of Labour, the Brotherhood of Railway Trainmen, as well as independent groups including white-collar and civil service workers. The conference has been in existence since 1941. It holds regular monthly meetings and constitutes committees which keep in touch with developments in the region generally. It lays down one definite principle, that there shall be no jurisdictional disputes among the members. As I said, this organization has been in existence since 1941, and we have found it to be very helpful not only amongst the labour men but to the community at large. It is bringing respect for labour organizations, and it makes it a great deal easier for employers to find workers when they want them. Primarily the conference was organized for the development of their own best interests, but they have developed considerably beyond that point and they are now interested in community affairs. Last winter when shortage of fuel was imminent in the district, the conference organized themselves and went out and cut several thousand cords of wood, which was the means of relieving distress in a good many homes. They have become interested in a

number of the activities of the community, as well as in their own affairs. I believe that if similar organizations were set up in our different communities, that is, an organization linking up all labour unions under one head, the result would be an organization that would be very beneficial to the community, and I can assure the minister that it would lighten his work. The conference I speak of is interested at the present time in nurseries, in creches, as we call them out there, and in the housing problem. It is also studying post-war work. I assure the committee that it is giving very valuable leadership in many of these projects, and I would recommend that such an organization be in existence wherever possible in Canada for the benefit of the whole community.

Before I sit down I would like to say that I consider that the Department of Labour has gone a long way in this war, and I congratulate the minister and his officials on the work they have done. I feel that out of this department will come an organization that will be most beneficial to both labour and management. I congratulate them particularly on the work they have done in the past year.

Mr. MacNICOL: I do not want to say a word about the Windsor strike, but I want to ask a question. I am hoping, as I am sure every hon. member is, that the labour relations board now sitting in Windsor will be successful in ending the strike, which has now continued for four or five days, affecting some 14,000 men, and costing roughly $100,000 a day, outside of what is spent by the labour unions themselves to compensate the men who are on strike. That is altogether apart from the effect on merchants and business generally in Windsor. What procedure has the department available for preventing a strike from taking place? Is there some board or some official of the department that could have been called in when it was known that a strike was imminent, to prevent the strike from taking place at all? The objective of all of us, and particularly of the department, is to eliminate the causes of strikes.

Mr. MITCHELL: As my hon. friend very well knows, negotiations are in progress for the settlement of the strike at Windsor, and I join with him in the earnest wish that both the employers and the employees will cooperate with the national labour relations board and the officers of my department in arriving at a settlement satisfactory to both parties. I would not want to say one word beyond expressing that earnest hope, because as my hon. friend knows, in industrial disputes a word that may be said here one way or the other may go out over the wires and be interpreted in quite a different sense. I think the less I say about the dispute the better, except to enjoin both the management and employee organizations to do their utmost to arrive at a satisfactory settlement of the dispute.

Mr. GILLIS: I expressed my opinion briefly on this dispute a few nights ago and I have no intention of extending my remarks much further. I think the minister this afternoon was rather unfair to the member for Winnipeg North Centre.

Mr. MITCHELL: I do not want to be.

Mr. GILLIS: I definitely think he was. The member for Winnipeg North Centre I thought was bending over backwards in order to put as nice a face as possible on this order 1003. Personally I think if seventy-five per cent of the verbiage in this document were eliminated it might be workable. If you were going to get any cooperation from the employers of this country in carrying out the principles which those who drafted that order had in mind, this order would not be necessary; No. 2685 would have done the trick. On the outbreak of war the government appealed in a realistic way to the employers with respect to labour relations, and I do not think they got any response. The hon. member for Davenport wanted to know just now the cause of the dispute in Windsor. I appreciate the minister's position and understand why he does not wish to make any observations while the matter is still being adjudicated, but I would say, as one member of this house, that the basic cause of the dispute was that the employers abrogated their signed agreement. It may be difficult now to have the men at Windsor accept the word of employers who have placed as little honour in their signed word as they showed in that particular dispute. This is the class of people the government are dealing with in implementing the terms of this order P.C. 1003 and in labour relations generally, and unless the terms are clear and specific beyond the shadow of a doubt, the fears expressed by the hon. member for Winnipeg North Centre will be justified by the attitude of employers.

When I read this document I thought of it in this way. When a crime is committed and a detective is called in, the first thing he probes for is a motive. When I read this order in council the first thing that struck me was, what is the motive? In my opinion it can be found largely in the past attitude of employers to the organization of labour in this country.

However, I rose at this time because the minister disagreed with the hon. member for Winnipeg North Centre with regard to the

matter of unfair labour practices as defined by P.C. 1003. I find that it does not define unfair labour practices; it appeals again to the fairness of the employer. The code is subject to many interpretations. In the winding-up clause, which is the meat of the whole thing, it is stated:

> . . . but nothing in these regulations shall be interpreted to affect, otherwise than as expressly stated, the right of an employer to suspend, transfer, lay off, or discharge employees for appropriate and sufficient cause.

It boils down to this, that under that clause the operator is allowed to continue as he did previously. The minister will remember that that is the wording of section 502A of the criminal code. For the last four years organized labour endeavoured to use that provision, but it has never been able to prove absence of justification, as defined by that clause, on the part of the employer. That is the meat of unfair labour practices. Right now, in the operation of the code, although it has been in effect for only two weeks, men from British Columbia are complaining that employees are idle because of union discrimination, and are endeavouring to have selective service adjust the matter. That is the contention of the steel workers; I corresponded with the board recently in the case. The matter of certification is becoming twisted; I cited two cases the other evening; yet the order is brand new.

As I said before, if there had been no quarrelling on the principle of the matter, P.C. 2685 would have done the trick. But any lawyer in the country can sit down and make a case for the operator if he wants to defeat the purpose for which this code is intended; they can keep you for months and months wrangling about the interpretation of this order. To me the matter is very plain. If the employees in a given plant want to form a union it is a matter of taking a vote, for the right to ballot is a basic principle of democracy; and if, when a secret ballot is taken, a majority of the employees decides to join a certain union, the Minister of Labour should have the authority to certify that union without any more fooling about it. It is then up to the employer and employee to get together in the matter of working out a collective agreement. But unless both parties are honest it will not work. There is no mystery about all this and no necessity for all the ramifications to which it gives rise. As the hon. member for Winnipeg North Centre said, in trying to make this thing work you are throwing it back in the lap of the old conciliation machinery, which involves running around for months and months. I do not want to quarrel with the minister over the regulations, but I am sure the time is not far distant when many changes will be necessary, and I hope that the minister and his department will be prepared to make them. I have not much hope for the success of the provisions as they stand; there are too many loopholes.

While I am on my feet may I tell the minister that his department did one thing for which I should like to compliment them. They instituted in Nova Scotia, for the first time in the history of this country, a system of apprenticeship in the coal mining industry. The minister is fortunate in having secured some capable people to make the system work. It is the most practical thing his department have done since it has been my privilege to be a member of this house. I hope it will not be considered as merely a war emergency measure.

Mr. MITCHELL: If I am here after the next election it will not be.

Mr. JOHNSTON (Bow River): Alberta has been doing that for some time.

Mr. GILLIS: I think it is a good set-up and I hope it will not be considered a war emergency proceeding. All these things are done under the War Measures act and by order in council, and when the war ceases they can all automatically disappear. I should like to see the minister continue this particular measure.

I rose at this time only because I thought the minister was taking an unfair advantage of the hon. member for Winnipeg North Centre, who in my opinion made a very fair analysis of this order in council. I shall wait with a great deal of interest until the board begins to hand out decisions in this matter.

Mr. McIVOR: I have gone through this labour code in a study group and I have tried to find every possible weakness. Of course I was looking for constructive ways of healing sores among the workers; and I have been agreeably surprised that we can have a production like this from any house of commons in any part of the British empire.

There are two reasons why I think the measure is a good one. President Marshall made a number of suggestions, I think about twenty-eight in all, and they are fairly well incorporated in this document. Not only that, but Mr. Marshall himself went on the board to see that they are put into practice. Therefore I think the measure can be made to work. The other reason why I think it is a good code is that the premier of Ontario, who, while he has little love for the dominion government, is willing to take anything good

from any source where he can pick it up, has taken this code for Ontario and wishes to apply it to all workers in that province.

I should like the minister to state in no uncertain terms whether or not the collective bargaining regulation is compulsory, because a speaker in the city of Fort William said it is not. I wish to have assurance from the minister as well as having it in the code as interpreted.

Mr. MITCHELL: The answer is yes.

Mr. GILLIS: Would the minister mind explaining in what way it is compulsory?

Mr. MITCHELL: I say it is, but I do not want to take up the time of the committee in enlarging upon it. I have been very close to this thing. My hon. friend remembers the famous Governor Allen of Kansas who in the days of the late Sam Gompers thought he could make collective bargaining compulsory in the sense to which my hon. friend has referred.

Mr. GILLIS: They have collective bargaining in the United States under the Wagner act.

Mr. MITCHELL: Not in that sense. The position of the three dominant trade union groups in this country is that they were opposed to the principle of compulsory arbitration up to the point where the agreement was finally negotiated. That is the official position of the three national groups. It does not matter what we think in public life about these things—

Mr. GILLIS: Would the minister not say that compulsory arbitration and compulsory collective bargaining are two entirely different things?

Mr. MITCHELL: Of course they are. I understand that. And the trade union movements of this country are opposed to compulsory collective bargaining up to the point of the negotiations of the final agreement. Let us be clear about that. They are in agreement that once an agreement is arrived at there shall be compulsory arbitration. I think I know the mind of the labour organizations of this country and the code follows the point of view they express.

Mr. GILLIS: What machinery have you to enforce the decision of this code even after going through all the slow motions?

Mr. MITCHELL: I would not say it is altogether slow motion. I will tell you where I differ from many people. I think a trade union agreement is not based on law; it is based on character.

Mr. GILLIS: Certainly it is.

Mr. MITCHELL: And good faith.

Mr. GILLIS: Certainly.

Mr. MITCHELL: I have had some experience. I know there are lots of employers with whom I should not like to bargain, and the reverse is true. I know lots of representatives of employees with whom, if I were an employer, I should not like to bargain. After all is said and done, you sit down and write a contract, one, two, three, right down the line. If you have reasonable people on both sides—and most men are reasonable—the contract can operate. It is like prohibition. All the laws under the canopy of heaven cannot make a thing work unless men have a desire in their hearts to be fair. That is my own view, and that is a view I have gathered out of my own experience in the movement. That is the general view of the leaders of the trade union movements of the country. I think there are lots of what I call the overnight revolutionaries who suddenly come into the movement and who think that by the stroke of the pen everything can be quite all right. They say that all you have to do is to write a law; that is all. It is not as simple as that. The relationship between employers and employees is a matter of gradual growth. Take as an example the British Trades Union Congress and the position they occupy in the life of the nation as well as the statesmanlike attitude they have taken toward the present war. That was not born overnight. That is the result of tradition and experience over a good many years.

I sympathize with both sides occasionally. All the angels are not on one side of the street. Sometimes they lack experience and judgment in their approach to the problem of industrial relations. Take the railroad organizations of this country. They have had a case before the national war labour board for the last six or seven months. The case has been developed by both sides. They have gone through the channels and negotiations as they always do. You do not see them walking out on the street. You understand, I am not taking sides in this question, but it is the result of long-standing tradition. I can remember—and I am not an old man, or at least I do not like to think I am—when the relationship between the railroads and the trade unions was not as good as it is to-day. As I say, it is a question of gradual growth and good faith on both sides. I do

not know that I should say any more, Mr. Chairman. I could go on and trace the development of trade unions and the position of the American federation of labour, the British Trades Union Congress and the Trades and Labour Congress, the Canadian Congress of Labour and the other congresses, but I do not think it is necessary. It is sometimes a very difficult problem and I do not want to take up the time of the committee just now.

Mr. GILLIS: I was concerned about the minister's answer to the hon. member for Fort William. The hon. member's question was definite and specific and was to the effect whether or not the collective bargaining regulation is obligatory or otherwise. I think everyone will agree that the one thing the code does not do is to make collective bargaining compulsory or obligatory on the part of anyone. It is still a matter of negotiation. I do not agree with it on that basis, because after you go through all the machinery of the code it still depends upon whether the employer is cooperative or otherwise in putting the wishes of the employees in the concern into operation. I do not think there is any use in writing a law unless you are prepared to enforce it.

Mr. MITCHELL: May I say this to my hon. friend? I know he agrees with me that it is a matter of opinion. Let me say that no legislative bodies of the trade unions of Canada are prepared to allow any board to write the terms of their contracts.

Mr. GILLIS: This has nothing to do with that.

Mr. MITCHELL: Yes, it has.

Mr. GILLIS: Not a thing.

Mr. MITCHELL: Yes.

Mr. GILLIS: This is just determining the bargaining—

Mr. MITCHELL: This says that they shall bargain in good faith, and it is supported by law that they shall bargain in good faith. It does not enjoin the board to write the contracts.

Mr. GILLIS: Certainly not; I would never agree to that. It is a matter of whether they are to have bargaining agencies or otherwise. After that, the business of working out the agreement is their own.

Mr. MITCHELL: This provides, beyond any doubt, for the bargaining agency.

Mr. KNOWLES: What is the penalty if the employer refuses to bargain in good faith?

Mr. MITCHELL: It is in the act. If my hon. friend wishes to read it he will find it there. I thought he had a copy in front of him.

Mr. KNOWLES: I have. I want the penalty to support the answer given by the minister to the hon. member for Fort William.

Mr. MITCHELL: I remember we had some penalties in a previous order in council and many people objected to them.

Mr. GILLIS: They were all one way.

Mr. MITCHELL: No; it was a fifty-fifty proposition.

Mr. KNOWLES: Fifty-fifty—one horse and one rabbit.

Mr. MITCHELL: No. I shall not argue that now, since it is not under discussion at the moment. Sections 38 and 44 are the governing sections.

Item agreed to.

Removal of enemy aliens including Japanese nationals and other persons of the Japanese race from the protected areas in British Columbia, $2,750,000.

Mr. STIRLING: Would the minister bring us up to date with regard to the location of the Japanese removed from the evacuated areas, where they have gone within and without the province of British Columbia?

Mr. MITCHELL: This is a break-down of the province of British Columbia: Interior housing centres—this is as of April 1, 1944—11,214; road camps, 418; self-supporting projects, 3,162; miscellaneous, 1,188. That makes a total of 15,982. Those in the other provinces are as follows:

Alberta	3,483
Saskatchewan	146
Manitoba	1,043
Ontario	2,558*
Quebec	394
Maritimes	1
Total	7,625

* 431 interned.

In the Yukon and northwest territories there are twenty-nine, giving a total for Canada of 23,636.

Mr. STIRLING: The first figure the minister mentioned was 11,214, which I think he said were those in the settlements?

Mr. MITCHELL: That is the interior housing centre.

Mr. STIRLING: Has the minister the number in Tashme by itself?

Mr. MITCHELL: 2,488.

Mr. NEILL: Did the minister give the number of Japanese born in Canada?

Mr. MITCHELL: I will get that figure.

The CHAIRMAN: I know the committee realizes how difficult it is to have hon. members speak in their proper order in connection with an item of this kind. If hon. members are agreeable I shall call first the hon. member for Vancouver South, then the hon. member for New Westminster and then the hon. member for Comox-Alberni. I got into trouble the other day over this matter, and I do not want to get into trouble again.

Mr. STIRLING: I suggest that an hon. member be allowed to carry on with a few questions which are interlocked; it appears to me that we would make better progress in that way.

The CHAIRMAN: The committee will realize the difficulty which faces the Chairman, in that I have no list of speakers. I have to make my own list as I go along, and already several hon. members have asked if they could be placed on the list. Generally I try to alternate between the different parties, and I have found that to work well for over a year now.

Mr. NEILL: Certainly it would facilitate the work of the committee if after an hon. member has started to ask questions he could be allowed to go on and finish them.

Mr. STIRLING: In British Columbia a certain amount of work is going on in connection with several road schemes, such as the Hope-Princeton road. I understand there are sixty-eight Japanese working at the Hope end of it and 120 at the Princeton end, and of course it is the very great hope of all those living in the southern portion of British Columbia that this work will be carried forward as quickly as possible. I realize that those in charge of the work are dependent for their road machinery upon what they can get from the government of British Columbia and from the parks branch, but I should like to know from the minister whether it is proposed to endeavour to get additional Japanese into these two camps in order that the work may be hastened. I am given to understand that these sixty-eight Japanese at the one end and 120 at the other are principally single men who were collected from other settlements and camps within the province, who were ready to go and work on that road. Close by you have the settlement of Tashme; in fact the Hope-Princeton road passes by Tashme, where the minister says there are 2,488 Japanese, no doubt including men, women and children. I should like to know whether the minister has any hope of strengthening the gangs working on that road from the inhabitants of Tashme.

Mr. MITCHELL: At the present moment there is no intention of strengthening those gangs, though something may be done next winter.

Mr. STIRLING: Then what is the policy of the government for the coming summer?

Mr. MITCHELL: As I indicated in my statement to the committee, the Japanese come within the national selective service regulations in regard to direction; and in view of the demand for labour, particularly in the summer months, we intend as far as possible to move these people into those industries where it is necessary to fill the gap in relieving the man-power shortage during the summer months.

Mr. STIRLING: Even to the extent of taking them from that province to another one?

Mr. MITCHELL: Yes, I would say so.

Mr. STIRLING: Then would the minister tell the committee the arrangements in regard to pay for these men who work in the road gangs?

Mr. MITCHELL: The pay for labourers is twenty-five cents an hour, and there are special rates for foremen and so on. The basic rate is twenty-five cents an hour.

Mr. STIRLING: With deductions for board?

Mr. MITCHELL: Yes, a deduction of sixty cents a day for board.

Mr. GREEN: This item covers the sum of $2,750,000, and is described as being for the removal of enemy aliens including Japanese nationals and other persons of the Japanese race from the protected areas in British Columbia. I take it—and if I am wrong in any of these statements I would ask the minister to correct me—that practically all this money will be spent in connection with the Japanese.

Mr. MITCHELL: Yes.

Mr. GREEN: And that it is really not for the purpose of removing them from the protected areas, since they have been removed from those areas already, but rather for their maintenance in other parts of Canada where they happen to be at the present time or to which they may be sent. Then I think hon. members should realize that this is only one of the votes with respect to those people of the Japanese race in Canada. For example,

there is another item to be found at page 397 of *Hansard,* under the Department of Mines and Resources, in the amount of $1,000,000, which is described as being for the employment of persons of the Japanese race and/or Japanese nationals. I presume there would be a vote also under the Department of Justice for the cost of maintaining the Japanese who are interned, who according to the minister number some 431, and there may be other items as well. So that the Japanese problem is now costing the federal government and through the government, the people of Canada several million dollars a year.

In addition to the cost to the Canadian people, it is now quite clear that the federal government has assumed full responsibility for the movement and welfare of the Japanese people in Canada. I would point out that in most cases a Japanese cannot go from one part of the country to another without obtaining a permit. They are strictly under the control of the federal government at the present time. This means also that the federal government will be responsible for the disposition of all people of the Japanese race in Canada after the war, and will be solely responsible for finding some solution of this Japanese problem, because the government now is in the position that it cannot abandon these people, nor can it pass the responsibility on to any other government. That responsibility rests exactly where it belongs; that is, with the federal government. That is a fitting place for the responsibility to rest, because the federal government, as distinguished from the government or people of British Columbia, was responsible for allowing the Japanese to come to Canada.

Federal governments, one after another, have refused to heed the pleadings and the warnings of the people of my native province, and of members of all parties, with the exception of the Cooperative Commonwealth Federation, who have come here from that province. Time and again the Canadan government has even refused to heed the action of provincial governments of British Columbia, which have gone as far as to pass a provincial immigration measure which would base the test as to whether or not people should be admitted to British Columbia upon the applicant's ability to speak an European language. So that throughout the whole picture British Columbia has been the catspaw, and it does not propose to remain in that position any longer.

I suggest to members from other parts of Canada that this is a far-flung country. There are some things which affect one portion of the country far more acutely than they do another. People of all parts of Canada, including those who happen to live in my own province, are intelligent, sensible and idealistic. Perhaps in British Columbia they are even more so than in other parts of Canada! But I do suggest that where one part of the country is affected by a question of this type, representations made by Canadians living in that part of the country should be heeded. Failure of Canadians east of the Rockies to help out in respect of this Japanese problem during a period of decades—in fact ever since the turn of the century—has caused more bitterness in British Columbia against eastern Canada than any other single issue. And if that problem is not faced now by the Canadian government it will, in the future, cause even more bitterness.

There will be many other Pacific problems arising from time to time. British Columbia is the only Canadian province facing the Pacific. I hope Canada will pay attention to British Columba in the future, when Pacific problems have to be considered by the nation as a whole.

But, to get back to my subject: This Japanese problem is the federal government's mistake. There has never been a real federal policy in the matter, and I am afraid that is the position to-day. The federal government is just drifting.

Mr. MITCHELL: What does my hon. friend mean by "drifting"?

Mr. GREEN: The Minister of Labour was in the navy during the last war; he should know what is meant by drifting. I repeat that the federal government seems to be drifting in respect of this question, although it is costing Canada millions of dollars a year, and it is perfectly obvious that the solution must come from the federal government.

In the debate which took place last year about the end of June, I outlined something of the history of the Japanese problem in Canada. I do not purpose repeating that to-day, but intend to deal only with what has happened since last year's debate. Since that time several hundred more Japanese have come east of the Rockies. Only a few minutes ago the minister gave the figures to the hon. member for Yale, but for the purposes of the record I propose going over them again. They show that as of March 31, 1944—not quite six weeks ago—there were in British Columbia a total of 15,982 Japanese. That is still more than two-thirds of the total number in Canada. That group is divided up as follows: 11,214 are in interior housing centres, and of course they are being kept there at the expense of the government; 418 are in road camps; 3,162 are in self-supporting projects,

and 1,188 are described as miscellaneous. Most of those Japanese in British Columbia came from the protected area at the coast; they have been dammed back, so to speak. In the Yukon and Northwest Territories there are 29.

Then, coming east of the Rockies we find that in Alberta there are 3,483; in Saskatchewan, 146; in Manitoba, 1,043, and in Ontario, 2,558; although of that number 431 are in internment camps, as dangerous to the state. In Quebec there are 394, and in the maritime provinces, only one. How he or she managed to get down to the maritimes, I do not know; but the fact remains that there is one person of the Japanese race in the maritimes. This makes a total number east of the Rockies of 7,625, or less than one-third of the total of 23,636 Japanese in Canada.

In the United States the great bulk of the Japanese were concentrated on the Pacific coast, just as in Canada they were concentrated in British Columbia. Our neighbours have succeeded in moving away from the three Pacific coast states all but about one-sixth of the Japanese who were there prior to the war. I believe that those who remain are in California, some of them in the camp at Tule Lake, where there has been so much trouble, and which I believe is occupied by Japanese who are strongly anti-American, and the rest are in the camp at Manzenar. The Americans have left only one-sixth in their Pacific coast states, while Canada still has two-thirds in British Columbia.

Mr. MITCHELL: But they are still in concentration camps in the United States.

Mr. GREEN: No; the Americans are putting them out to employment. As I have said, several hundred have been moved east of the Rockies in the last year.

Mr. MITCHELL: They still have a larger percentage than we have in concentration camps.

Mr. GREEN: That may be. There have been several hundred moved back east in the past year. So that the government has made some attempt at dispersing the Japanese across Canada. That has been done largely by persuading or by coercing individual Japanese to come east, and then trying to reestablish them here on a permanent basis. The result of that movement has been that the brightest young Japanese have come east—and they deserve credit for so doing, for coming back and trying to begin life anew in eastern Canada. Of course that means that the group which remain in British Columbia are going to be just that much more difficult to assimilate.

Then, some have been brought east of the Rockies under the selective service organization, and I believe a few family groups have been moved east by the government—but very, very few. Probably that is the reason that the numbers who have come east have been so small. The Japanese are a people who stick together in families, and it is difficult to persuade families to allow individual members to move away. I think they will be taken out of British Columbia in large numbers only when arrangements are made by the government to take them in family groups.

The action of the government in the past year may be described as a half-hearted attempt at dispersing Japanese across Canada. Actually it has only scratched the surface. If the problem is to be handled in this way it will take years and years to remove the Japanese from the coastal province.

Another feature is that practically all these Japanese who have been moved east of the Rockies have been placed in other provinces, on the basis that if those provinces do not want them to stay there after the war the government will remove them. That was a clause that was put in the agreements which were negotiated originally between the British Columbia security commission, which was the agent of the government, and the respective provincial governments. I believe that is the position to-day.

Furthermore, no Japanese are being placed in a town or district where there is any objection to them. For example, a few days ago we saw a report of a complaint by Forest Hill village against any Japanese domestics being employed. I believe a protest was made by the city of Ottawa against any Japanese coming here, and no Japanese have been brought to this city.

There is a provision that after the war they are to be removed on request, but no one knows where they are to be moved to. That is one question the people of British Columbia want answered. Is it the intention of the government to take all these Japanese back to British Columbia? Is it the intention to send them to Japan? Is it the intention to negotiate with the provincial governments to permit those who have been settled in the east to remain? Just what is to be done? Probably the federal government does not know what it proposes to do, but these are questions that will have to be answered.

Another factor is that the Japanese in British Columbia continue to hold back; they refuse to go east. I suppose they know a good province when they see one, but in any event it is quite difficult to get them to move from

British Columbia. That complicates the situation considerably. A commission was appointed by the government a few months ago to investigate the welfare of the Japanese in the interior settlements. Its report, dated January 14, was tabled in the house, and in referring to the question of dispersing the Japanese it states that much more can be done in this connection when the British Columbia security commission has more cooperation from the Japanese. It is a good deal like the calling up of men for the army. It is a sort of half pleading and half coercive proposition; it is a half and half policy that really is not getting results.

Another difficulty is that the Japanese who come east are not allowed to lease land or business premises. The minister will correct me if I am wrong in this, but I believe that that is the situation. The Japanese themselves have suggested that some provision should be made by the government to subsidize the reestablishment of families who move east, but apparently there have been no arrangements made for that at the present time.

I have been unable to get the exact figures, but I understand that between 1,000 and 2,000 Japanese have asked to be sent back to Japan.

Mr. MITCHELL: You have not been able to get a boat for them.

Mr. GREEN: That is the responsibility of the minister. When the ss. *Gripsholm* went back last fall she took sixty-one Japanese who had requested to be sent home, and now many more have asked to be sent to Japan. Hon. members should realize that those who ask to go back are not all Japanese nationals. You cannot divide the Japanese in Canada on the basis that the Japanese national is disloyal, while the Japanese who is a naturalized Canadian or who has been born in Canada is loyal to Canada. All those who went from British Columbia on the ss. *Gripsholm* were either naturalized Canadians or Canadian-born Japanese.

I think the minister will admit that the fact that a Japanese is naturalized means very little in so far as his loyalty to Canada is concerned. Generally naturalization is acquired for economic reasons, to obtain a fishing licence or for some similar reason. I have here the January 8 issue of the *New Canadian*, a weekly paper published by the Japanese in British Columbia in which they refer to what I have just mentioned, that naturalization or place of birth means very little. They say:

> Equally well known is the fact that some, though born or naturalized in Canada, are not interested in their citizenship and would welcome the opportunity to go to Japan. Some have already done so; and others have signified their intention by applying for repatriation.

No attempt has been made by the federal government to ascertain what Japanese are loyal or what Japanese are disloyal. For example, I do not see how you can expect a Japanese who is a shintoist to be loyal to Canada, because part of his religion is the worship of the emperor of Japan. Such a man or woman could not be expected to place Canada first in his or her loyalty. In the United States they have tried to find out who is who among their Japanese. I have here volume 90, number 35, of the *Congressional Record* of February 23, 1944, and on page 1999 is shown the question they asked their Japanese, as follows:

> Will you swear unqualified allegiance to the United States of America, and faithfully defend the United States from any or all attack by foreign or domestic forces, and forswear any form of allegiance or obedience to the Japanese emperor or any other foreign government, power or organization?

A total of 5,333 Japanese said, "No." The record continues:

> In other words, they were not willing to swear allegiance to the United States, and they were not willing to forswear allegiance to the emperor of Japan. One thousand five hundred and fifty-five answered the question in a qualified manner or did not answer it at all. Therefore, we have this situation: we have 6,888 people in these camps who refused to unqualifiedly swear allegiance to the United States.

The United States house passed a law on that date, February 23, which permitted a person to renounce his United States nationality. The following section was added to their nationality act:

> (i) making in the United States a formal written renunciation of nationality in such form as may be prescribed by, and before such officer as may be designated by, the attorney general, whenever the United States shall be in a state of war and the attorney general shall approve such renunciation as not contrary to the interests of national defence.

Nothing of that kind has been undertaken here.

Mr. MITCHELL: What is the use of it when you have it?

Mr. GREEN: When you have what?

Mr. MITCHELL: Under present conditions I do not think that would be worth the paper it is written on.

Mr. GREEN: You suggest that these people should be left here whether they are loyal or not?

Mr. MITCHELL: The mere fact that they sign such a thing as you speak of is no indication of their allegiance to the United States.

Mr. GREEN: You mean it would not be any indication of whether they would be loyal to Canada?

Mr. MITCHELL: I would not think so.

Mr. GREEN: Then why does the minister have this declaration in his national selective service mobilization regulations:

That I make this declaration with full knowledge and understanding that I am thereby deprived forever of all rights and privileges to be naturalized in Canada as a British subject and that I thereby become liable to deportation from Canada whenever such deportation may be practicable.

That is a declaration put out by the minister's own department in connection with aliens who are called up and do not want to serve. They have that option.

Then the attitude of the Japanese government continues to be what it has been from the start, namely, to take a direct and active interest in their people who are in Canada and in other countries. If the Japanese government would only leave these people alone, things would not be so bad; but right from the start, in every nation to which they have migrated, the Japanese have been under the direction and control and have received the active support of the home authorities. That very fact has constituted and still constitutes a sinister threat to any nation that allows the Japanese to settle within its borders. For example, the Japanese government sent on the S.S. *Gripsholm* a lot of Japanese books and Japanese food to be distributed among the Japanese in Canada. A few years ago it took a census of all the Japanese in Canada and the United States; on January 28 of this year there was a significant broadcast from Tokyo; I have a report of it here; the heading is "Tokyo claims interned Japs being persecuted." The broadcast said:

The fact that our brethren, who have been making strenuous efforts on the front lines of overseas expansion—

Mark those words: "on the front lines of overseas expansion".

—are faced with all kinds of persecution in enemy nations, is truly beyond mere words of sympathy.

That had reference to the Japanese in Canada and the United States.

Another development during the year has been the inquiry by the royal commission to which I referred, which found that by and large, the Japanese in the settlement camps were living under better conditions than they had been before the war, that they were being well treated and that they had really no cause for complaint whatever.

Another thing that has happened during the last year has been that a final report has been published by the United States general who had been in command of the removal of Japanese from the west coast states, Lieutenant-General John L. Dewitt. He pointed out in his report many things with regard to the Japanese in the United States. The report was quoted as saying that invariably Japanese communities on the west coast flanked strategic installations, while there were no Japanese in nearby available farming sections. The report says:

It was difficult to explain the situation by coincidence alone.

Another paragraph from the report said that the west coast Japanese were "a tightly knit, unassimilated racial group", which constituted "a potentially dangerous element" from a military viewpoint and "military necessity required their immediate evacuation to the interior".

Incidentally, in my riding, just three months ago certain vacant property which had been held for years was sold by the custodian of enemy property; that property was found to belong to interests in Japan; here they were holding several vacant blocks in the middle of a residential district of Vancouver, and the significant fact was that the property lies on a hill overlooking the city, from which hill the whole city of Vancouver could have been brought under fire.

Another fact to be remembered is that all ties of the Japanese in the protected area have been cut. Their fishing boats have been sold, their properties have been sold—all their ties have been cut. It is not as though they were firmly rooted there.

Then, finally, I think the committee must give some consideration to the attitude of the people of British Columbia on this question. They do not propose to be left with the problem any longer. British Columbia faces the Pacific and the people of that province do not want the Japanese out there where they can be in contact with Japanese merchant vessels plying in and out of our harbours. There is the same feeling among the lads who have gone overseas from our province. I have here a statement made by one of these lads writing from overseas. He says:

It is just about time—

That was in February of this year.

—the people in eastern Canada realized that we will not stand for the Japs coming back. I think if the federal government allows them to return to British Columbia there will be serious trouble. All the British Columbia lads here feel very strongly about it.

I think the great majority of the people of British Columbia feel that if the Japanese cannot be resettled on a permanent basis in

eastern Canada, then one term of the peace treaty should be that the Japanese in Canada should be returned to Japan in exchange for Canadians who are under Japanese control. Or if not to Japan, it might be possible to make arrangements for them to be reestablished in some territory in the Pacific under the control of the united nations.

Mr. CRUICKSHANK: Send them to Toronto.

Mr. GREEN: The hon. member for Fraser Valley will have to speak for himself. They could be properly reestablished in some of the territories that are being taken away from Japan and should be given full compensation. This may seem drastic and yet it has been done before. For example, shortly after the last war there was trouble between Turkey and Greece, and several hundred thousands of people were moved at that time; Turks were removed from Greece and Greeks were removed from Turkey. I have here a book entitled "The Lost Peace", by Harold Butler, formerly secretary of the International Labour Office of the League of Nations. At page 229 he describes that exchange of population. He says:

> The process of interchange would be difficult and often painful, but experience has shown it to be practicable. Nearly four hundred thousand Turks who had dwelt for generations in Europe were uprooted and transferred across the Bosporus, while a large number of Greeks whose forefathers had for long lived in Asia Minor were brought back to Hellas. Their absorption took time and money. I saw some of the Greeks in Euboea and the Peiraeus, where they were beginning to make a new life under very hard conditions. But they were no longer surrounded by alien and often hostile neighbours, and by degrees they found their niche in Greek national life. In the long run they and their children would come to enjoy greater happiness and security among their own people. A source of endless friction between the two races had been cut out by a drastic but salutary surgical operation.

He points out that the Germans followed this principle of avoiding racial conflicts by forcibly removing their compatriots from the Baltic states. He says:

> What they did brutally and ruthlessly can be done with much greater success by friendly agreement under international auspices. The segregation of races with strong mutual antipathies is one of the conditions of peace in eastern and southeastern Europe.

I ask for a clear-cut announcement of government policy on this whole Japanese problem. Let me place these questions before the minister. Is it the plan to remove all the Japanese from British Columbia, or are some to be left there, and, if so, how many? Are they to be kept out of the province of British Columbia for good? Can the minister give us assurance that they will not be sent back to British Columbia?

Are any plans under way for returning any of these Japanese to Japan? If so, what group or groups?

What does the government propose to do with those Japanese in other provinces if the government of any province requests their removal after the war?

These are questions which should be answered by the minister. I would urge upon him to realize that the problem is not yet solved. We have not begun to solve the Japanese problem in Canada. Further, the problem will not solve itself, nor is it of the type that can be forgotten, and so evaporate; it has to be worked out, and it must be worked out by the Canadian government. I hope that when the minister has a chance to speak on this matter he will give us an answer to the various questions I have asked him.

Mr. MITCHELL: I will answer my hon. friend in a few words. I cannot tell him what is to be the after-war policy with respect to the Japanese. This dominion is not the only pebble on the beach. I suppose all these questions will be decided at some international gathering charged with laying down policies with respect not only to this question—

Mr. CRUICKSHANK: What is the minister's opinion?

Mr. MITCHELL: That is all right, but—

Mr. GREEN: May I point out to the minister that not one of these questions has to do with after the war. I asked: Is it the plan to remove all Japanese from British Columbia? Are they to be kept out of that province for good? Can the minister give assurance that they will not be sent back to British Columbia? Are any plans under way for returning any to Japan; if so, what group or groups? What does the government propose to do with those in the other provinces if the government of any province requests their removal after the war? Not one of these has a thing to do with an after-the-war programme.

Mr. MITCHELL: I am making my speech.

Mr. CRUICKSHANK: Answer the questions. We do not want speeches.

Mr. MITCHELL: I have said there is a body of public opinion, particularly in British Columbia, favouring the return of all Japanese, whether nationals or born in this country. That viewpoint has been expressed. As I have indicated previously, I do not know, and I

do not think anybody knows at the present moment what will be the policy of this government or any other. When all is said and done, let it not be forgotten that we have not yet won the war. Unless we do win it, we shall not have much say about the matter.

I know something about the difficulties and complexity of this Japanese problem. I am not going to tell the committee the conditions under which I went to British Columbia or surveyed the war in the Pacific and the Atlantic, the problems of Hong Kong, Singapore and the Dutch East Indies. I am not going to tell that story because it cannot be told at the present time. But when hon. members talk about the movement of Japanese, let me ask, how can you expect any agency, whether governmental or private, to accomplish the free movement of these people in face of the objections which my hon. friend has in his mind when he casts doubts upon the Japanese as individuals? Remember the conditions which have been built up. We must face the fact that many people in eastern Canada feel that every Japanese is walking around with a knife in his hand.

Mr. CRUICKSHANK: Why are you sending them back to British Columbia after the war?

Mr. MITCHELL: Nobody has said that we are going to.

Mr. SINCLAIR: Why do you not answer the hon. member's questions?

Mr. CRUICKSHANK: Your agreement says that you will send them back to British Columbia.

Mr. MITCHELL: The agreement does not say anything of the sort, and my hon. friend knows it.

Mr. CRUICKSHANK: It certainly does say it. Table the agreements. You are afraid to.

Mr. MITCHELL: I cannot say any more than that. The problem has been made more difficult by the expressions of some hon. members and some other people in this dominion. I feel that our achievement up to date in connection with the Japanese problem in this country is as good as that of any country which has to deal with this very difficult problem. We have endeavoured to—

Mr. CRUICKSHANK: —keep them in British Columbia.

Mr. MITCHELL: —move the Japanese to productive employment rather than keep them in camps. My hon. friend spoke of the financial commitments. I believe that the labour department estimate is correct. The fact that the Department of Mines and Resources contemplate an expenditure of a million dollars for this purpose during the coming financial year cannot reasonably be charged to the Japanese problem as undertaken by the Department of Labour, because it is productive employment. I do not know, but I assume that they want to build roads, and that sort of thing. If the Japanese were not to do that, other people would have to be paid to do it.

I think I have answered pretty well all my hon. friend's questions.

Mr. GREEN: You have not answered any yet.

Mr. CRUICKSHANK: Not one.

Mr. GREEN: If the minister will take the trouble to read from the transcript of *Hansard* the questions I asked him about five minutes ago—

Mr. MITCHELL: I think I answered them all. As to one particular question my hon. friend asked me, what will be done, whether now, to-morrow, and after the war, frankly I do not know.

Mr. GREEN: I have noticed that when the minister is dealing with his estimates, instead of answering the questions, in many cases he makes a speech. That is what he has done on my questions.

Mr. MITCHELL: I do not think there is any law against making a speech in this chamber. My hon. friend has just made a forty-minute speech.

Mr. GREEN: I will just repeat these questions. Is it the plan to remove all Japanese from British Columbia? Are they to be kept out of that province for good? Can the minister give assurance that they will not be sent back to British Columbia? Are any plans under way for returning any to Japan; if so, what group or groups? What does the government propose to do with those in the other provinces if the government of any province requests their removal after the war?

Mr. CRUICKSHANK: Hear, hear. Straight questions.

Mr. MITCHELL: If I may be permitted, before six o'clock—it is almost six o'clock—

Mr. CRUICKSHANK: You can answer them before six o'clock.

Mr. MITCHELL: My hon. friend does not need to be clever.

Mr. CRUICKSHANK: It is not necessarily being clever at all. We want an answer.

Mr. MITCHELL: When I endeavoured to answer the hon. member for Vancouver South I was told that I should not make a speech, and he has just made a speech for forty minutes. I suppose this discussion will go on this evening. At this time I should like to place on the record the figures asked for by the hon. member for Camrose; the subject is, the number and percentage of men whose categories on reexamination were raised to "A" and "B". With the permission of the committee I shall be glad to put that on the record.

On the other question, raised by the hon. member for Qu'Appelle, as to the number of training centres in the dominion, with the permission of the committee I should be glad to place them on the record too.

The CHAIRMAN: With the consent of the committee.

NATIONAL SELECTIVE SERVICE MOBILIZATION REGULATIONS

MEDICAL CATEGORIES

Number and Percentage of Men Reexamined Whose Categories were raised to A and B

Administrative divisions	No. of men reexamined	Increase A	Increase B	Percent increase A	Percent increase B
London, Ont.	14,416	3,303	318	22·9%	2·2%
Toronto, Ont.	36,353	7,494	2,243	20·6%	6·2%
Kingston, Ont.	11,862	1,504	485	12·7%	4·1%
Port Arthur, Ont.	1,118	205	—93	18·3%	—8·3%
Montreal, P.Q.	75,657	21,283	3,986	28·1%	5·3%
Quebec, P.Q.	20,713	4,527	2,268	21·9%	10·9%
Halifax, N.S.	6,713	1,752	612	26·1%	9·1%
Saint John, N.B.	12,814	3,502	978	27·3%	7·6%
Charlottetown, P.E.I.	1,095	218	118	19·9%	10·8%
Winnipeg, Man.	3,904	234	—138	6·0%	—3·5%
Vancouver, B.C.	7,384	1,710	193	23·2%	2·6%
Regina, Sask.	1,923	372	100	19·3%	5·2%
Edmonton, Alta.	5,050	408	—102	8·1%	—2·0%
Canada	199,002	46,512	10,968	23·4%	5·5%

The following training centres have been used during the fiscal year for training purposes:

Nova Scotia—
- Nova Scotia Technical College
- Dalhousie University
- R.C.M.P. Building, Halifax
- New Glasgow
- Trenton

New Brunswick—
- Campbellton
- Edmonston
- Fredericton
- Moncton
- Saint John (2 centres)

Quebec—
- Cartierville
- Chicoutimi
- Granby
- Grand-Mere
- Hull
- Lachine Lauzon
- Montreal Le Plateau
- Montreal, Octave Cassegrain, Wm. Lunn
- Montreal Tech, Maisonneuve
- Port Alfred
- Laval University
- Quebec Technical School
- Rimouski
- Shawinigan Falls
- Sorel
- Thetford Mines
- Three Rivers
- Verdun

Ontario—
- Belleville
- Brantford
- Brockville
- Cobourg
- Collingwood
- Cornwall
- Fort William
- Galt
- Guelph Vocational School
- Guelph Ontario Agricultural College
- Hamilton
- Ontario Teacher Training College
- Hamilton Technical Institute
- Westdale Technical
- Hawkesbury
- Kemptville Dairy School
- Kingston
- Kirkland Lake
- Kitchener
- London—University of Western Ontario
  Bell Technical School
- Niagara Falls
- North Bay
- Orillia
- Oshawa
- Ottawa—High School of Commerce
  Technical School
- Owen Sound
- Renfrew
- St. Catharines
- Stratford
- Sarnia
- Smiths Falls
- Sudbury

Toronto—Central Tech.
Danforth Tech.
Northern Vocational
Western Tech.
Central High School of Commerce
University of Toronto
Windsor

Manitoba—
St. Boniface
Winnipeg
Daniel McIntyre School
Manitoba Technical Institute
Gordon Bell
Anna Gibson School
St. Johns Technical School
University of Manitoba

Saskatchewan—
Moose Jaw
Prince Albert
Regina (two centres)
Saskatoon

Alberta—
Calgary—Airport
Institute of Technology
Exhibits Building
King George High School
Western Canada Tech.
Medicine Hat
Lethbridge
Red Deer
Edmonton

British Columbia—
Nanaimo
New Westminster
Prince Rupert
Vancouver—81 Robson Street
John Oliver Highschool
King Edward School
McDonald Annex
School of Navigation
910 Pacific
Seymour School
Vancouver Technical School
Alexander Street
Seaview High School
Victoria—Market Building
King's Road School
Topaz Avenue
Victoria High School.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. REID: Under this item of $2,750,000 for the removal of enemy aliens including Japanese nationals and other persons of the Japanese race from the protected areas in British Columbia, I have some questions I should like to ask the minister regarding the Japanese who are in the interior; but before doing so I wish to make certain remarks, following those made by the hon. member for Vancouver South this afternoon.

The hon. member for Vancouver South pointed out that all hon. members from British Columbia with the exception of those of the Cooperative Commonwealth Federation are unanimous in their views on this very important question. May I say at the outset that I take the strongest objections to any person or party accusing me, when I speak on this subject, of speaking from a racial point of view. There are those who are always looking upon the world from a theoretical or idealistic point of view. Then, there are those who have idealism but who never forget the realities of life that are facing the country. And, of course, there are those who, when facing questions, have no idealism at all. May I say that I am one of those who, while having quite a lot of idealism, likewise endeavour to face the facts. It is most unfortunate indeed that this question, which is now becoming something of a national one, should have in British Columbia become a political question. I say without fear of successful contradiction that the cause of this lies entirely with the leaders of the C.C.F. party, because up until 1933 or 1934, the Japanese question in British Columbia was never a political question. The entire population and all political parties in existence at that time were unanimous in their opposition to the encroachment of the Japanese. Before 1933 no one would have thought of getting up on a public platform or going around lecturing regarding the Japanese; because it was understood among the people of British Columbia that this question was an economic one, although British Columbia had borne the brunt of the Japanese problem without any sympathy or support from any other province.

But when the late respected leader of the C.C.F. rose in the House of Commons and said that if he and his party were elected they would grant the vote to the Japanese, the question then for the first time in the life of our province became an active political question. I challenge anyone to examine my own political activities and say that I ever during any election mentioned the Asiatic question or the Japanese. My views, however, have been long known, and have been frowned on by some. Those in higher circles and some theorists said: "This man Reid, hates the Japanese." I refute that. I do not know what can be done to bring them to our viewpoint, but we who hold this view do so dispassionately and without hatred. What we did was from a sense of duty, because we realize, and have realized throughout the long years, the grave danger that faces this country, and the fact that if this problem is not solved by the people of Canada it will ever occur and reoccur as time goes on.

I shall not have time in the forty minutes at my disposal to deal with every aspect

regarding the question; but the one danger we feared in British Columbia if the Japanese were given a vote was this, that they do not look upon the vote as we do, nor would they vote individually. If the Japanese were given the vote I feel sure that in whatever province they were located they would vote en bloc. It is my personal view that if they were voting in any province that would permit them to vote, other than British Columbia, everyone of them would vote C.C.F.

Mr. NEILL: Why not?

Mr. REID: It is strange that that party has taken unto itself the job of supporting the Japanese 100 per cent; and the Japanese support the C.C.F. 100 per cent. The minister may if he wishes to do so, refute the statement I am about to make, but it has been seriously said and never refuted that before the Japanese met the British Columbia security commission and had a conference with them they met the leaders of the C.C.F. party and discussed their position with them. I have no personal knowledge of the truth of it, but that statement has been made publicly and, so far as I am aware, has never been challenged.

I came to the House of Commons in 1930. I can well remember the resolutions introduced by myself on the Japanese question, and how I was laughed at when I pointed out the encroachments that they had made, how they controlled the British Columbia coast with their fishing boats, and that their maps were better than the Canadian government maps and likewise our admiralty maps. Those statements were admitted in this house by Lord Bennett, who was then Prime Minister.

Members from the maritimes and from the other provinces have said to me in the corridors here: "Oh, we are tired of hearing about the Japanese." I want to say to these people in all kindliness that I still hold those views and that in taking the stand I am taking I am taking it not altogether on behalf of British Columbia—although primarily that is true—but on behalf of all the Canadian people. I challenge any member inside the house or any individual outside the house to refute the statement which I am about to make, namely, that the Japanese in Canada are an unassimilable race. I have made that statement all through the years in which I have been protesting against them. Is there an hon. member who will rise in his place and say they can be assimilated in this country by marriage? I know I have heard it advocated by those idealists, but who in all seriousness would do it? These theorists do not want the experiment tried in their own family, but they are perfectly willing to have the experiment tried in some other family. They do not want the Japanese to marry into their family, or their family to marry into a Japanese family.

If the Japanese are unassimilable, would any hon. member rise in his place and argue the contrary? If so, I would like to hear him. Are we then to allow 23,000 of them to live here and grow and grow? For, mark you, the reasons for their coming here were not, as many think, like those of the Chinese. The Chinese came to Canada in the early days when there was a labour shortage here and at a time when our railways were expanding. But the Japanese did not come here under the same auspices. The Japanese came here later under a definite plan. I could quote article after article going back to 1900 and even earlier than that to show that there was a great plan for the conquest of the Pacific coast, if not the world, a plan laid down by the Japanese hierarchy. They set out in those days to encircle with Japanese the countries surrounding the Pacific ocean. The Japanese came here with the help and under the auspices of the Japanese government, and settled on the Pacific coast. That is one reason why they did not settle inland. The Japanese government wanted them on the coast. Had we not taken their boats away from them and taken them inland when war was declared, no one could have foretold what action they might have taken.

I intend to read one article, Mr. Chairman, and I do so in order to link it up with the statement I have made that they are here under a definite plan or understanding with the Japanese government and assisted by the Japanese government. May I point out that in 1937, according to the Japanese government records, some $45,000,000 were returned to Japan from Japanese immigrants on the Pacific coast; that is from South America, the United States and Canada. The sum of $45,000,000 was returned as part of the loan which they received. The Japanese government went further in its long-headed scheme for world conquest. It saw to it that the Japanese immigrants coming to this country and other countries on the Pacific were equally divided as between males and females. You will find that the number of males and females are very nearly equal, though that is not so in regard to the Chinese or the Hindus. Of course that was part of a definite plan; the Japanese government realized that there had to be women here with the men if the Japanese population in Canada were to increase. In the case of the Chinese, only about ten per cent are women, while only about one per cent of the Hindu population are women. As a result, these two races have not caused any

great problem in this country. On the other hand, the Japanese, if left alone, in time would present a very difficult problem. Here you have people who have sworn allegiance to the emperor, even though they may have been born in Canada. The Japanese are people whom the government of Japan looks upon as Japanese citizens. If you were to look up the blue papers that have been issued by Japan you would find that in counting the number of fishermen employed in Japan before the war, the government had included the Japanese fishermen on the Pacific coast.

I repeat, for the benefit of those who have given little heed to our warnings, that in this country we have some 23,000 people almost equally divided as between males and females, who have been allowed to live their own lives, speak their own language and practise their own Shinto religion which, as the hon. member for Vancouver South has said, requires them to own allegiance to the emperor. May I give the committee an interesting statement made to me by a prominent Japanese, to whom I was speaking just before war broke out with Japan. I said, "I suppose the Japanese people are much like the people in Germany, and that the common citizens have little to say in regard to war?" He replied, "Mr. Reid, when the Japanese emperor speaks we must not even think in contradiction of his decree." I said, "Does that apply to the Japanese in this country?" And his answer was, "It does." Time and again we have made the statement that Japanese, whether born here or coming to Canada, owed allegiance first to Japan, and I should like any hon. member to tell me how one can be a citizen of two countries at the same time. I am very sorry that the hon. member for Vancouver East is not present this evening. I am not going to say anything about his views, but I wish he were here to take part in the debate. He is perhaps as emphatic and dogmatic in his views in favour of the Japs as I am in mine, only on the opposite side. The hon. gentleman has been lauded in some quarters as having taken a brave stand, but I do not know that it has been any braver than the stand some of us have taken. My name was passed on to Japan at one time as public enemy No. 1, and knowing the strong-arm methods of the Japanese I do not know which was the bravest stand.

The hon. member for Vancouver South spoke of what was taking place across the line. We are not holding the minister responsible for this problem; we all realize that it is not his doing and that he cannot help it. It is a matter for the government itself, but it is important to mention these matters even at this time, and with a war on. For many years we endeavoured to get the federal government to act in the matter, but no action was taken until war was declared. Now we are just afraid that when the war is over and the War Measures Act is repealed, the whole problem will once more be left on the doorstep of the people of British Columbia. We are going to fight against that every inch of the way. Those are my views, and I think the minister will agree that my statements have been very reasonable. I am wondering if the minister can tell us whether any approach has been made by the British Columbia security commission to the Japanese, asking if any of their number will renounce their Japanese citizenship and their allegiance to their emperor. Some take the stand, "We should do something more for the Japs." I take the stand that the Japanese, and all other races, will have to do something more for themselves. Some may say, "Well, the mere signing of a paper or taking of an oath does not mean very much," but it is strange that up to the present not one Japanese, either native born or Canadian born, has offered to renounce his allegiance to Japan and swear allegiance to this country. I doubt very much whether in the strictly legal sense a man can be given the rights of this country while he owes allegiance to Japan, and to the emperor. You do not have to take my word for that; it is in evidence. In 1934 the hon. member for Comox-Alberni and I went before the committee considering this matter, where we had an opportunity of asking some questions of the Japanese who appeared there. I asked one of the Japanese professors this question: "In the event of war, to which country would you consider you owed allegiance?" Without hesitation he replied, "Japan." He was appearing before that committee, saying that he was a Canadian and a British subject, and asking for the vote. I am very glad I took part in those proceedings, and so helped prevent those people from being allowed to vote. As I say, the right to vote in British Columbia would be but the first step, for the Japanese would not vote as other people do; they would vote as the No. 1 man Jap told them, who in turn would take orders from the Japanese council.

I must hurry along; my time is going, and there are a few questions I should like to ask the minister. I wanted, however, to place my views before the committee to-night in the hope that the minister would carry them to the government and that they might be considered seriously. We all realize that the matter cannot be solved at this moment, with the war on. The minister has pointed out that we do not know how the war will end

or what the peace terms will be. We realize that what he has said is perfectly true; nevertheless we would like the most sympathetic hearing we can possibly get from the government. I stated last year, and I repeat now, that I am just a little perturbed because I know that close to the government is a group of these higher officials who have no practical sense at all, who are thinking in theoretical terms and whose type of mentality has helped to bring the world to this pass. They refuse to face facts; and knowing that this group is around here, I am just a little afraid of their influence when the time comes to settle this great problem.

It has been suggested that we should soft-pedal the whole question because there may be repercussions in Japan. It has been said that the Japanese will pick up the things we say here and perhaps use them to inflame racial hatred among the people of India. That may be; but in my practical mind I sometimes wonder how the people of India can discern between what is true and what is false in all they have been told by the Japanese, because I do not suppose bigger liars than the Japanese leaders ever existed, and certainly they are peddling a lot of lies throughout the world to-day.

However, to support what I was going to say a little while ago regarding the menace of leaving them there, let me read this to the committee—and I am not going to weary hon. members with a lot of reading. An article by John W. White in the *Saturday Evening Post* of June 27, 1942, regarding 300,000 Japanese in Brazil, who came there in a period of ten years, states in part:

> If any doubt remained as to the political motives behind the Japanese government's keen interest in forcing these colonies on to the South American countries, it was dispelled in April by Tokyo itself. The spokesman was Montonoa, a former administrator of one of the colonies in Brazil, who, significantly enough, had been called home to take a position in the emperor's government. In a belligerent interview in the newspaper *Asahi* he warned Brazil that any restriction of Japanese "rights" in the Amazon valley would be considered a hostile act against the imperial government. The Amazon zone, he said, "morally" belongs to Japan, because the Japanese colonists have spent ten years reclaiming it from the jungles. After charging Brazil with having done nothing to develop the resources of the Amazon, he enunciated the interesting theory that natural resources, wherever found, belong to those who develop them. And this apostle of Japanese culture stated further that he considered this Japanese colony as a province of Japan.

I leave that for the serious thought of hon. members from other provinces, who perhaps have not before given much serious thought to this question. I ask them to think about the problem. And might I remind them that after this war, if we are to take an active interest in the affairs of other countries, I do not see how much progress will be made in thinking about other countries if other provinces in this country refuse to take stock of problems which exist in their own country.

I have some questions to ask, and some comment to make about the first one. I note at page 13 of the report of the British Columbia security commission that the commission who are handling the Japanese are holding back $250 per adult Japanese, and $50 for each child, as a rehabilitation fund. This raises some misgivings in my mind as to why there is a rehabilitation fund. What is the motive behind it? What is the idea behind the British Columbia security commission's gathering a rehabilitation fund? Where are these people to be rehabilitated? It is true that they are spread out now in some of the other provinces. Members from Alberta can perhaps say whether or not this is correct, but some people from Alberta have told me that many people in that province are beginning to be worried lest the Japanese are there to stay—and they do not want them. A few people in the other provinces, when spoken to, will say, "Yes, they are splendid workers." But I pointed out to them that when the Japanese came to British Columbia in the early days we did not see the hidden hand of Japan. We did not realize that they were an arrogant race. We thought the Japanese were similar to the Chinese, and would be more cooperative. But the moment they became powerful they almost captured the fishing industry, and other business as well; and it was then that the arrogance of the Japanese became apparent.

Therefore I say to the minister that we are perturbed. We want this matter to be taken seriously, because I believe that if this problem is not solved now, and that we leave 23,000 of them, fifty per cent men and fifty per cent women, the strength of that group in twenty-five years from now will be enormous. It will lead to trouble. No one can tell what can happen to Japan, and we cannot annihilate a complete nation. They can rise again—who knows? No one can foretell. But leaving them here, with their allegiance to Japan, whether born in this country or not, using their own language, and obeying the laws of Japan, is something which will lead to trouble, and should not be tolerated in this country any longer than we can help. That is one question I want to ask the minister.

Then I would ask this one: The British Columbia security commission says it was found that the procedure at present followed is to release assets of the Japanese, when

requested to do so. Reports are prevalent—I have no way of proving them—that the Japanese are taking these assets and buying property again through the medium of Canadian citizens. In British Columbia tracts of land are being bought, obtained by the Japanese through the release of these assets. It is said that certain white Canadians—and I use the term "white" in contrast to the Japanese—are acting as agents. It is stated that these sales are proceeding apace, and that when the war ends, all the Japanese will have to do will be to come back to British Columbia, and these properties they have bought, or are buying at the present time, will be released to them. I should like a statement from the minister on that point.

I also notice that the minister in his speech said that some 21,000 Japanese had been evacuated. I wonder where the other 2,000 have gone?—because there were more than 23,000 of them. That is something further which perturbs me. The rehabilitation fund looks to me like a move by the British Columbia security commission to make provision now so that the Japanese will not be moved, but will remain here. I do not know whether the government has given assent to that policy; but a full explanation is due this chamber as to why it is being done.

One could go on at greater length, but I do not wish to cover the ground discussed this afternoon by the hon. member for Vancouver South. I have endeavoured to touch upon other aspects of the problem, and I have pointed out that in so far as the people of British Columbia are concerned this problem is looked upon as a very serious one indeed. I repeat it is most unfortunate that one party has taken the Japanese, so to speak, under its care, and has become their champion. I know that all members of that party do not agree with them, but I did notice that—

An hon. MEMBER: What party is that?

Mr. REID: It is the C.C.F.

Mr. HANSON (York-Sunbury): The great humanitarian party!

Mr. REID: The idealists and theorists of this country are probably leading the people along the wrong path.

Mr. MacNICOL: Not the idealists—the theorists, probably.

Mr. REID: Like many others, especially those among us who know what we are talking about in this connection, I have been endeavouring to speak from a practical point of view. We reiterate the statement I made that if the Japanese are left there the problem will recur. The reason I speak to-night is that we want to keep this issue alive, and to warn the government of our feelings. We are pointing out that after the War Measures Act is withdrawn the Japanese question might be left to the provinces again, and there is no doubt in my mind where they will go—because the Japanese government wants them on the coast.

I am very sorry the hon. member for Vancouver East is not in his seat at the moment; I will not use his name by way of criticism, but I would say this to him: If you are going to reinstate the Japanese in British Columbia and to give them the vote, then you cannot, after having done that, say to them, we are not allowing you to work here, there, or elsewhere. And I want one of the C.C.F. party to rise in his place in the house and say they will put the Japanese back in the fishing business. I want a statement on that question. In 1934 I was one of those who took steps to get them put out of the fishing business. That was long before 1939 or 1944. I fought the matter all the way through, but I was only laughed at. I take strong exception to anyone who says that I have done this because of racial hatred. I did it from a practical point of view. I tried to take a lesson from what has occurred in other countries. Let the C.C.F. say they will give the Japanese jobs and they will find the Japanese will get back in the fishing business. If they give the Japanese the vote and they become full-fledged citizens of the province, will my hon. friends take the stand that they cannot go here, there or anywhere. They will be able to go where they like. Let them again get a foothold in the fishing business and the other fishermen of British Columbia will find out what will happen. As the representative for New Westminster I feel that I should fight for the heritage which rightfully belongs to the people of this land.

My time has about expired, but I wanted to put these questions to the minister. Here are some more questions I should like him to answer. What has been paid for hospital accommodation for the Japanese? Would he explain the rehabilitation plan and the plan for employment? How many are still being maintained and how many are employable? Is maintenance being withheld from Japanese who are employed? We hear a great deal about the shortage of men. If they are all that they are claimed to be by some members of the government and by the C.C.F., why do we not take steps to make them work instead of maintain them? That is, if they are Canadian citizens, if they are as good citizens

as the minister sometimes says he thinks they are, why are they lying back and not working during this period of man-power shortage?

Here is another question I should like the minister to answer if he can. I received a telephone call the other night from a newspaper reporter in Toronto. He asked me a question for which I have not as yet found an answer. He wanted to know if the Japanese who are under the control of the mounted police come under the price ceiling regulations with regard to wages. I asked him why he wanted to know and he said that a friend up the street had a Japanese working for him for $65 a month; she was working around the garden and doing things like that. She left because someone else offered $100 a month. The reporter wanted to know if everyone in this country was under a price ceiling regarding wages. I think this point should be cleared up, perhaps not by the Minister of Labour but by some other minister. Are these people under these regulations, or are they being protected and allowed to do things which ordinary Canadian citizens are not allowed to do?

I have endeavoured to deal with this matter with as little heat and in as reasoned a manner as possible. I feel very strongly and believe that we in this country should not allow other groups of people to stay as Canadians and still own allegiance to other countries. If that is allowed to continue we can never make a great country of Canada in the future. That is my belief and I have always held it. As long as I am going into this question may I point out this other fact. I hold the view that if we had had two or three languages throughout the length and breadth of Canada the peaceful and harmonious relations with our neighbour to the south would not be as close and friendly as they are at the present time. I hold to the belief that the turmoil and trouble now taking place in Europe are due, in part at least, to the many languages spoken on that continent. I am against groups coming from other lands and attempting to perpetuate their own languages and carry on as they did in the country they came from. At a later stage of the proceedings I shall perhaps enunciate my views more fully on this.

I thought it my duty to-night to join with the hon. member for Vancouver South and other hon. members from British Columbia in pointing out that this is a national problem which cannot be settled just by brushing it to one side. I consider it to be my duty to let this committee and the country know the feelings of the majority of the people in the constituency I represent. In closing, I again ask the minister to give me answers to the questions I have asked.

Mr. MITCHELL: Mr. Chairman, I think I can answer both the hon. member for New Westminster and the hon. member for Vancouver South who have asked me several questions with regard to policy. The first question had to do with immediate policy, and in reply I would say that the government will take such action from time to time in regard to the removal and transfer and movement of Japanese as may be consistent, prudent and advisable in the light of existing circumstances.

With regard to post-war policy, I think I expressed our opinion this afternoon. May I say to my hon. friends that I have definite views on this question, views just as strong as those expressed by the two previous speakers—

Mr. CRUICKSHANK: Do you agree with them?

Mr. MITCHELL: —but they are sitting there and I am sitting here, which is an entirely different matter. In view of changing conditions on account of the war I am not in a position to forecast government policy. But I do thank hon. members for taking it for granted that we shall be sitting here when the war is over. May I say to my hon. friends that when the opportune time arrives, and there is a question of timing in these matters, I think they will find that the policy of this government will be in conformity with the broad interests and ideas of the Canadian people.

The hon. member for New Westminster has been a close student of this question and he lives in close contact with the problems which have arisen in British Columbia. He raised a question about something in the report of the British Columbia security commission with regard to the rehabilitation grant or assets of $250 for grown-ups and $50 for each child. The purpose of this is not to rehabilitate in the sense in which that word is generally understood. Where there are assets, those assets are reduced to that point before they receive any assistance from the Canadian government in the way of maintenance.

Another question raised was that of our own people buying farms on behalf of Japanese in a surreptitious way. This matter has been investigated on a number of occasions by my department and up to this point we have not been able to ascertain that such a condition exists. It may be that it does exist, but it has been investigated by the mounted police and no evidence has been forthcoming that would warrant such an assumption.

Mr. HANSON (York-Sunbury): Is there a law in British Columbia that prevents the Japanese from holding land?

Mr. MITCHELL: At the present time, absolutely, by order in council under the defence of Canada regulations.

Mr. HANSON (York-Sunbury): That is only temporary.

Mr. MITCHELL: As to the payment of maintenance in the camps, no maintenance is paid to any Japanese who is employable; let that be clearly understood. My information is that there is no one in the settlements who is unemployed and that those outside are employed in gainful occupations. As I indicated this afternoon, they come under the national selective service regulations, and the committee can rest assured that where these people can meet the needs of labour in parts of the dominion, where direction is necessary, the regulations will be put into force.

Before taking my seat I wish to thank the hon. member for New Westminster and other hon. members for bringing the viewpoint of British Columbia on this problem to the attention not only of myself but also of the house and the country.

Mr. HANSON (York-Sunbury): Under the defence of Canada regulations are the Japanese considered as alien enemies? If so, how can it be that they come under the regulations of national selective service?

Mr. MITCHELL: They are persons of the Japanese race.

Mr. HANSON (York-Sunbury): Well, we are at war with Japan. The government declared war against Japan with great acclaim, although we have not been fighting against them very much.

Mr. MITCHELL: Seventy-five per cent of the Japanese in the dominion were born here.

Mr. HANSON (York-Sunbury): That does not make them Canadians.

Mr. REID: Will the minister answer the question I asked as to a discrepancy in the figures, and also as to the Japanese language being taught to the children?

Mr. MITCHELL: The discrepancy arises in this way. One figure deals with the Japanese evacuated from the protected areas, and the other figure deals with those outside the evacuated areas. The two together give the total.

Mr. REID: What about teaching the Japanese language?

[Mr. Mitchell.]

Mr. MITCHELL: As far as my department is concerned, no teaching is being given in the Japanese language. But we cannot stop the parents from talking to their children in Japanese. However, no official recognition is given to the Japanese language in the matter of teaching.

Mr. CRUICKSHANK: Are they not teaching Japanese in the schools right now?

Mr. MITCHELL: Not officially.

Mr. CRUICKSHANK: Oh, well!

Mr. MITCHELL: Not in the schools that we are operating.

Mr. CRUICKSHANK: You are supplying the school and they are teaching the Japanese language.

Mr. MITCHELL: No, they are not. My hon. friend will have to take my word for it.

Mr. CRUICKSHANK: You take my word. You are wrong, and I know it.

Mr. MITCHELL: I am not taking your word for it. I know, and you do not.

Mr. NEILL: Mr. Chairman, any remarks I make with regard to the Minister of Labour and his policies will not be addressed as criticism of him. I have watched with great interest his career since he first came into the house as an independent member and I think he has done well under very difficult circumstances. Perhaps it would have been better for his reputation and for his conscience if he had not been in the position he is in to-day, for he has almost admitted that while he possesses one set of views he is compelled, by the principle, I suppose, of cabinet solidarity, to do something that is against his conscience. All I can say is that I sympathize with him, but I do not admire him for that.

Mr. MITCHELL: Is a man in public life supposed to have a conscience?

Mr. NEILL: It was said by a member of this house a few days ago that after his experience in Ottawa he viewed all men as crooks until he found to the contrary. I do not subscribe to that idea at all. I deprecate it. I want to say that in the 245 men in this house there is not one bit more crookedness than anywhere else.

Mr. MITCHELL: I agree.

Mr. NEILL: I was going to say that the form which this debate has taken to-night illustrates a point that came up when we were held up to reproach on the ground that we were delaying the house by debating the proposed changes in the rules, and finally were

charged with holding up the war effort and hurting our boys in Europe. I have spoken only three times in this long session, and what I was doing the other day when we were debating the proposed changes in the rules was to preserve for our boys on the other side when they come back a right which would have been taken away from them if that thing had been railroaded through as was intended. But for that unreasonable fight, as it has been called, that we put up, the members here to-day would have found themselves checked, for, if the proposed change in the rules had been put through, the hon. member for New Westminster and the hon. member for Vancouver South would have found themselves limited to speaking for only twenty minutes, or half what they did, and they would have found that they could speak only once. The result would have been this. The minister would have had two courses open to him. He could have heard what the members said and then just sat tight and laughed off our criticism and have felt that he did not need to answer it because the rules would have said that we could speak only once in committee. Or he might have taken another line. He might have said in reply to some member who had spoken, "Your statements are false," and the member to whom he addressed himself could not have replied because he would have had the right to speak only once. That is the right, the right to speak, that we were fighting for the other day, and it will be seen to-night what a good thing it was that we did fight for it.

I appreciate the remarks of the hon. member for Vancouver South. He put the case clearly and with not the slightest suggestion of appealing, as the hon. member for Vancouver East always says we do, to racial jealousy and racial ill-feeling. Even the hon. member for Vancouver East could not possibly say that the hon. member for Vancouver South injected any element of ill will or racial feeling or anything of that kind, because he was most temperate in his remarks.

If ever there were a time when a member should feel impelled to express the views of his constituents, I feel that it is now. I have never in all the many years that I have represented my riding seen such a unanimity of purpose, such a grim, black determination along the lines that we have advocated here this afternoon, of removing the Japs from Canada at the close of the war. Almost every public body—the legion, the city council, boards of trade, labour unions, the I.O.D.E., for even the ladies have a share in it—has expressed itself, and in no measured terms, and without qualification, that they want the Japs removed from Canada. They want that, and they want nothing less.

The Minister of Labour said just now that 75 per cent of the Japs in Canada were born here. I saw that somewhere else some time ago, but it is simply not so. I have the figures here, and after I sit down, if anybody wishes to challenge my statement, I can quote them. But it is not seventy-five per cent. I admit that he might be bewildered as to what figures he should use, because all kinds of figures are put out for the asking. The hon. member for Westminster talked about a little inside clique which was on terms of friendship with the Japanese. I do not know where the friendship comes in or who professes it; I do not think it is shared by the Minister of Labour, but the fact remains that you can get any kind of fake figures you like. I have a statement in my hand showing a difference of six thousand between the number of Japanese at a certain time and six months later. They do breed, but they do not breed as quickly as that. However, I have not time to go into that.

The hon. member for Vancouver South suggested that there were only twenty-five thousand of them and that it should not be such a terrible job for the government to deal with them, and he gave a very good illustration based on what happened in one of the European wars, where they traded Greeks for Turks, or Armenians, and four hundred thousand people were transferred. The scheme worked well and benefited all parties to the deal; ultimately it made for their peace and good will and happiness. There is a long difference between twenty-five thousand and four hundred thousand. But let the door be opened, and they will have to be counted not in hundreds of thousands but in millions, because the Japanese like the western part of Canada. There is an idea that Japan is being crowded out of its own lands. That is nonsense. They have a large island—I think it is Hokkaido—where there is plenty of room for them, but they do not like the climate; they much prefer to come here, where they find a more congenial climate.

The hon. member for Vancouver South also asked, if they are not expatriated where will they go? I would ask the minister that question; he ought to have some idea what he proposes to do. Apparently that is a forbidden subject. We can spend a large amount of time on discussions looking to the post-war period; are we going to do nothing with this question, the most burning question in British Columbia? Apparently it must not be dealt with. The Mexicans have a word "manana",

meaning to-morrow, and apparently it is in that spirit that we are asked to deal with this matter.

The Japanese have to be taken away. Where are they to be shipped, or where are they to go when they are taken away from the other provinces: I hold in my hand an agreement which bears the minister's signature, or which, at any rate, he sanctioned. It was made between the British Columbia security commission and the province of Alberta. Let me read one sentence:

> The commission agrees to remove or to have removed from the province—

And this applies to other provinces.

> —upon the termination of the state of war now existing between Canada and Japan, the Japanese temporarily placed or maintained within the province pursuant to the terms of this agreement, as requested so to do by the province.

The other provinces—Alberta, Manitoba, possibly Saskatchewan, and I am not sure about Ontario—would not allow the Japanese to be admitted until this agreement was signed. They are to be taken away from those provinces at the end of the war. Where are they going? To British Columbia? Why unload them on British Columbia? We did not bring them into existence or bring them to our province, and we did not sign an agreement of this kind because it was from our province they were taken away on account of the war. Why unload them on us? Why should our wishes not be respected? Our objection should be the more readily regarded, because we know them from long experience, whereas Alberta knows of them only from what it has heard from us.

It has been suggested that they might be left where they are, say a couple of thousand in Alberta, the same number in Ontario, and so on; that it would not matter so much if there were a few Japs here and there, rather than twenty-five thousand in one area, and that by and by the whole thing would sort of simmer down, for people are very forgetful. As a British Columbian I would not mind an arrangement like that, but as a Canadian let me say that this would only be spreading the evil. If you put your hand on a pool of water it spreads; it does not disappear. It is very much as though we discovered three hundred cases of smallpox in Canada, and instead of segregating them all in one place and providing doctors and nurses to attend them, we spread them over a number of different towns and said, nobody will notice a case of smallpox here and there, and everything will be lovely. On the basis of that theory we are going to start clusters, centres, cancers if you like, of this alien pagan race in every province, all reaching out and spreading out like some evil pool of poison in the province, and by and by they would unite.

Remember that, by the law of the dominion government, if any provinces gave a Jap the right to vote in a provincial election the dominion will follow suit. The Prime Minister said himself in this house that he would adhere to that, and that if British Columbia or any other province allowed them to vote in provincial matters he would allow them to vote in dominion elections. They did vote recently in the Ontario election and they can vote in a dominion election in other than British Columbia. They vote in the other provinces, because ours is the only province which has withheld the vote from them, it being the only province really interested. If you allow them to spread all over the dominion, it may well happen that some man who has got in by a close vote, and has reason to believe that two hundred Japanese voted for him, would be likely to favour them when he is elected. Once let them get the vote and that is what will happen.

Some people have the idea that it is only a small matter because only twenty-five thousand are involved. It is only twenty-five thousand because we got legislation passed preventing their entry. I have been here since 1922, and I have piles of speeches which I made on the subject, and with some results. We got an act passed in 1924 cutting down Japanese immigration. They were coming in at the rate of eighteen hundred a year and we got the immigration reduced to one hundred and fifty. The United States government out of a clear sky passed a law in, I think 1924, prohibiting altogether the entry of Japanese. It was at that time we made a fatal mistake. I begged the Prime Minister almost on my knees to put into the law the word "oriental". He excluded Chinese, but he did not exclude Japanese, though the number was cut down to one hundred and fifty.

The hon. member for Westminster said something about Brazil. When the Japanese were shut out of the United States they made advances to Brazil, and negotiated one of these cursed gentleman's agreements, which only binds one side, to allow them to come in. This happened around 1925. Some years ago—I cannot recall the exact year—Brazil abrogated that gentleman's agreement, repudiated it lock, stock and barrel, and prohibited the entry of any more Japanese. They found that the gentleman's agreement worked there just as it had done here. The Japanese ran railroads through it and came in by hundreds and thousands, until Brazil got its fill of them and passed this prohibition law. That is a fine

illustration of a race which had had no previous intercourse with the Japanese, finding from bitter experience what it amounted to.

I tried to put a bill through in 1938, and if it had passed perhaps things would not be quite as bad as they are now. But I prophesied, even at that time, what would happen, and before that, as I say, I got the immigration rate cut down to one hundred and fifty.

Here we are in the middle of a ghastly war, confronted on every side by evidences of the atrocities of this enemy, and we are here discussing, with our fingers in our mouths, what further privileges we can grant the Japanese. Someone said that the soldier would not recognize us here. What would the soldier think if he knew that we were trying to let more Japanese in, and to keep them here, instead of providing for our own men, so that they would have a place to go fishing and somewhere to live under the sun when they came back. Are they sitting in the diet in Japan discussing what further privileges we can have in their country? I wonder how many white men vote in Japan under any circumstances. What is sauce for the goose is certainly sauce for the gander.

The minister left out one of the stock government phrases; I will give it to him for what it is worth because he may find it useful. I have heard it so often that I have almost forgotten it. Oh, yes: "That, of course, is a matter of policy which will be disclosed in due course." Well, he did not bring out that one, I admit, but he rang all the changes on the rest of the political evasive gags.

I heard this years ago from another cabinet minister. He said: "It will be time enough to talk about removing Japs; I will attend to this after the war." If you do not do it now you will not do it later. It reminds me of a story about the devil. The devil was holding a committee meeting in hell one time. He had been approached and told that there was an evangelical revival taking place on the earth. He was afraid that it might succeed in ruining his power, and so he said to his assembled devils: "I will give great privileges and honour to anyone who can stop the thing. Have any one of you anything to suggest or a plan to stop this revival of which I am afraid?" One devil said one thing and one another. One said: "Send me; I will tell them that there is no hell." The devil said, "Oh, you are a fool; everyone knows there is a hell. A lot of people are living in a hell right now." One suggested one thing and one another, and finally one little old devil in the corner said, "Send me; I will tell them there is a hell and there is a heaven, but—there is lots of time yet." The devil said, "You are the man, you go." He went and the revival was killed. Lots of time! Those are the words we are to get to-night from the government, to-morrow and to-morrow. Let me tell the minister that to-morrow it will be too late. After the war is over, after you make peace, you will not be able to approach on this question any nation that has been at war. We presume we shall give them decent terms, but you cannot at that time say to them: "We want to export, deport or expatriate your nationals," because a lot of them are British subjects. You cannot do that after the war. They could refuse to take them. This has to be part of the terms of peace. That is why we are so insistent that it should be made part of the terms of peace when the nations meet to work out the terms.

The minister said, and I think it was uncalled-for, that some of the speeches made in this house to-night and others made along that line recently actually make it more difficult for the government to settle this matter. He did not use the word "war", but the government always end up every reply to criticism like that. It does not matter if it is the question of the collection of garbage. They will end up by saying: "You had better be careful now or we shall accuse you of trying to hold up the war effort." The minister did not use the words "war effort", but he said something very nearly approaching that. I should like to know why the elected members of this house should be criticized for making some definite effort to find out what the government is going to do at the peace table with a bunch of people like the Japs. It will be too late to do it after that.

What we want from the minister, and I make no bones about it, and what the people want, is a pledge that a demand of that kind will form part of the peace terms, and that the government will use their best efforts to see that it is carried out. Of course I admit, as the minister said, that we are only one among a lot of nations, and what the other nations want will certainly have to be considered. No one says anything else. Why twist our statements? Why put words in our mouths? What we do ask is that the government declare their policy on this question. What we ask them to do is to declare that this will be the policy of the government, which the minister speaks for, when they come to discuss the terms of peace, and that the Prime Minister will stand up, advocate, demand and press for that policy, and that he will do his best to see that this is carried out.

Canada has been great in war; she will be great in peace and at the discussing of the

peace terms. She will not be thrown down. Other nations may not be sympathetic, but she will not be thrown down. A demand couched with the ability, eloquence and force of the Prime Minister behind it will not be thrown down. That is all we ask. If the minister cannot pledge that just now, why not adjourn the debate? All that we have been doing for a while has been to adjourn things anyhow. Let the minister adjourn the debate until Monday and then tell us to what extent he can meet us in that regard. Above all, do not tell us that we are holding up the war effort because we want a statement. We are entitled to a statement. What is the speech from the throne? Is it not a policy, a programme and an enunciation of views and matters of policy that will never be passed this session? Before the Prime Minister went to London he unloaded a whole lot more, some additions and some just reiterations of what he was going to do this session, things that will take quite a long time. It is not a statement of policy for the session; it is a statement of policy of the party, and I would expect that the government will be going to the country on it.

If you glance through the speech from the throne and what was unloaded on us the other day I think you will admit, if we can do all that, surely the minister can do something about formulating a policy for the future. Some of the stuff in the policy is a chart for the next twenty years. It will not hurt to go a little farther with this policy and reassure the people of British Columbia in this respect. Does he not want support; does he not want help? With the exception of the hon. member for Vancouver East and a few people whom he represents, there are very few people in British Columbia who do not want the Japanese treated as we have suggested; and I do not say that with any ill will toward the Japanese. I say in all kindliness that it will be in the best interests of the Japanese themselves, because if they return to their fishing boats and so on and our men come back from overseas and hear of the atrocities that have been perpetrated against our men in the east, it will be bad for the Japanese, not for the whites alone. There will be blood shed. We want to avoid that. It would be far better for the Japanese. Let them go their way and let us go ours.

I have not said anything about race or creed. I have not attempted to raise that issue at all. But we say, as the hon. member for New Westminster said, that these people will not assimilate and cannot assimilate. They do not want to assimilate. The real test of assimilation is marriage. You cannot get anything else without that. They simply do not want to do that. They approach you and say it makes their heart bleed on election day when they see white men going to vote and they cannot. That is all poppycock. When the war broke out we had to close sixty-nine Jap schools, entirely Jap staffed, where they taught the Japanese language, Japanese culture and Japanese doctrines. We got some of their stuff. It was all written in Japanese, of course. We got some of their textbooks translated. It was anti-white man stuff. They used to leave the white schools where they got all they could out of our culture, and go across the road to their own schools, and where there were not enough pupils to run a school they had travelling teachers going around spreading their propaganda or what they call the Jap culture. These are the people we are asked to accept.

We are then told: "Oh, but you are talking about the first generation. Of course, they are more or less attached to their own country, the same as we would be." That is not so. In the committee that the hon. member for New Westminster talked about we had some very clever Japs as witnesses. One was a professor; another was a dentist; another was a teacher, and there was another man. They told us all about why they wanted to vote. I said to the one who was a college professor: "You have a habit of registering your child with the Japanese consul, and therefore he remains a Jap; yet at the same time he is born in Canada and claims all the rights and privileges of a British subject." He said: "Yes." I said: "That is a pretty good thing for you." He said: "Yes, we find it quite a convenience." I said: "What about those schools? Do you think it is a good thing to have these schools where they teach the very opposite to what is taught in our schools?" He said, "Of course, it is a pity, and we older ones wanted to do away with them, but the third generation, or the younger generation thought we had better keep them on." So much for that. It is the third generation that want them. It is currently reported by those in a position to know, such as the secret intelligence officers of the Royal Canadian Mounted Police, that the third generation is the one that has to be watched, because they are better educated and they know how they can work acts of espionage and things like that. They give the information, and so on. He is a trained man. He may appear perfectly fair in many respects, but he is a spy for all that.

I ask the minister not to evade the issue, but to be honest and frank. He did evade the question asked by the hon. member for

Vancouver South. He said that these things are to be considered. It is the same old reply. For heaven's sake, take a definite stand. Give us a definite understanding so that we can go home and tell our people exactly why we were turned down. Let us know, and then they have the remedy in their hands. Do not let us go home and say that we were handed a lemon, and a very sour lemon at that. If we are to have this Jap love feast, let us say so. The hon. member for Vancouver East, whatever his feelings, at least is the spokesman of the C.C.F. and he never misses an opportunity to speak for his oriental friends. If the minister would pledge his government to fight for the repatriation and exclusion of these people, that is all we ask; and all we want is a definite statement. If there is any doubt about it, leave it over until Monday.

With regard to the other nations, I have spoken of that already; I know the other nations must be consulted. The Prime Minister might go to the peace conference and be turned down, but we would not hold that against him. I will take his word for it if he gives this House of Commons the pledge that he will do his best at the peace conference to get this thing put over. That will be all right as far as I am concerned, and I think the people of British Columbia would take him at his word. But we will not be satisfied with anything less, any subterfuge, any sidetracking, any "to-morrow". Those things are not for us; we want a definite pledge. I am not talking now in the interest of votes, for I am not going to run again; that is well known. But if it were the last thing I could do I would still fight for that policy. It is the thing for British Columbia, where our children and grandchildren have to live. It will be only a few generations until the Japanese will overrun western Canada, unless we do something about it. For that reason I join with the other hon. members who have spoken, and I believe that every hon. gentleman coming from British Columbia, with the one sad exception, is of the same opinion.

Mr. RALSTON: I wonder if I might intervene for a moment, just on one subject. The committee is discussing an item under the Department of Labour dealing with the removal of enemy aliens from protected areas. Quite naturally the committee has drifted into a debate on a much broader subject which I know is extremely close to the hearts not only of members from British Columbia but of members from all over Canada. However, what the hon. member for Comox-Alberni, with his usual crispness and, I if I may say so, his usual irony and, if I may add, his usual forcefulness, has discussed to-night is a matter of government policy with regard to the post-war period, a matter which does not come under this item at all, but which has to do with the Department of External Affairs, and which involves one of the most serious and grave considerations with which we have to deal. I submit to my hon. friend that no other domestic question can be of any greater importance, as affecting our external affairs, than this question of the Japanese, and I say that any declaration of policy made in respect of that question must be made after the most serious thought and study, and with every word of the statement carefully weighed. I make that statement because, as we all know, at the present time there are Canadians in Japanese hands. I am perhaps more interested in that angle of it from the point of view of my department than any other hon. member, and I suggest that you cannot have responsible ministers simply rising in their places and, right off the bat, declaring what are going to be our post-war policies with respect to the Japanese, in view of the situation in which we find ourselves. I am not timid; if it would do the slightest good to make a declaration to-night I would, if necessary, communicate with the Prime Minister, who is the Secretary of State for External Affairs, but I do not think there is any necessity for that, for that question does not arise under this item. I know the Prime Minister has had this matter under his personal consideration; I know he realizes the gravity of it, and I know that when the time comes a statement will be made.

My hon. friend, of course, will say that this is "to-morrow" of which I am speaking. I am speaking of to-morrow, but a to-morrow perhaps not as far away as my hon. friend may think. I believe I can promise the committee that a full statement will be made this session with regard to this matter of policy, in so far as it can be forecast at this stage. More than that I cannot say; more than that I do not think the committee ought to ask. The estimates of the Department of External Affairs will be under consideration. Those estimates will afford ample opportunity to discuss this whole matter and for the Prime Minister, as Secretary of State for External Affairs, to deal with it. I ask the committee to accept this statement, made in all good faith, not simply for the purpose of putting off, but because the matter is serious and one on which, I quite frankly tell hon. members, neither I nor, I think, any of my colleagues in the government here feel qualified or in a position to make a declaration, in view of the gravity with which this particular question is surrounded.

Mr. NEILL: If I might say just another word, personally I would accept that sugges-

tion. If we can get a definite statement like that this session I think that is a reasonable proposition, though I am speaking only for myself.

Mr. ESLING: Perhaps I might offer a few words in connection with the internal situation in which we are very much interested locally. The federal government accepted the responsibility of evacuating the Japanese, and the policy was to decentralize them. That policy was carried out largely by centralizing about one-third of them in Kootenay West. Therefore you will see that we have considerable interest in the matter, particularly in view of the fact that we also have seven or eight thousand Doukhobors, so that we have quite an interesting community. Anyone who reads the report of the royal commission must conclude that the Japanese are very well cared for; in fact, in many respects it must be admitted that they receive more consideration and care than our own people are given. They are granted an allowance if they are unable to earn a living; they are provided with shelter and all conveniences, and I think they are quite satisfied. There is not very much cause for grievance on the part of the Japanese.

In that connection I should like to cite one instance. In my district there are four or five small communities totalling about five hundred people, and the nearest doctor is thirty-eight miles away. The fee for coming to that settlement is $1 a mile. I am not disputing the fee; I am pointing out that greater consideration is given to the Japanese, because in the Japanese settlement they have a thoroughly modern hospital, with everything right up to the minute, with a well paid attendant physician, nurses, orderlies and so on.

I do feel, and all my people feel, a very keen interest in what is to happen to the Japanese at the conclusion of hostilities. The hon. member for Comox-Alberni just read the agreement by which, on the conclusion of the war, these Japanese are to be removed from the interior settlements. The other day, in order that the appropriate department of the government might have ample opportunity for consideration, I placed this question on the order paper:

Will the Japanese be removed from the settlements in Kootenay West on the conclusion of hostilities?

The reply was that this is a matter on which the government had not yet arrived at any decision. Naturally that is a matter of interest to our people. They want to know if they are going to have the Japanese in Kootenay West for all time, or whether any effort is to be made to remove them. For instance, there is a method of allocating family groups to practically every community in Canada. Well, thus far out of about 8,000 settled in my district, it is indicated in the answer to a question placed on the order paper that in the course of three years they have been able to remove 700. At that rate it will be eight or ten years after the conclusion of the war before they are removed.

The government preaches—we hear it over the radio—the spirit of cooperation in aid of the war effort. I cannot conceive of any greater spirit of cooperation among the various provinces than a willingness to accept a percentage of these Japanese. But when we talk about sending them to Toronto, or to a city in any other province, there are always resolutions in protest saying, "We do not want them; we are perfectly satisfied to have them remain in British Columbia." But we in British Columbia are not satisfied, and we hope that that matter will be given some thought.

Now, as to disposing of them, it makes no difference whether they be native-born, naturalized or nationals. The same disposition will have to be made of them. They cannot remain very well in British Columbia because we have taken their agricultural lands and turned them over to the soldier settlement board. That is an indication that there is not much prospect of putting them back on the coast—and the coast has indicated that it will not have them. May I assure the government that we in the interior think we have had enough of them. Certainly we shall have had enough by the time the war is concluded.

I would ask hon. members to visualize what would happen in any community in this dominion if there were planted alongside that community either 6,000 or 7,000 Doukhobors or 6,000 or 7,000 Japanese. It would not take long for those Japanese to enter all the fields of industry and business. Then there would be further trouble.

I am not going to ask the minister any questions connected with external affairs, but I am going to ask him one question, and give him plenty of time to answer it. This is not a difficult question, but it is one which very seriously and closely affects the community in my district. Regardless of the defence of Canada regulations, which permit a certain amount of leniency toward Japanese, and regardless of any other measures, I want to ask the minister if he will not assure the people of British Columbia in Kootenay West that the Japanese shall not be permitted to purchase land, and that they shall not be per-

mitted to engage in business. I am asking the government to do that, in cooperation with the provincial government.

In other words, continue to let the permits be given out either by the selective service branch, or by the wartime prices and trade board, but in connection with that let it be known that the provincial government must also issue a business licence. It is not fair for these Japanese to be placed in a district so that they may open various lines of business —not so many just now, perhaps, but they will soon be growing. It is not fair to have them engage in business in competition with merchants who have been in business trying to eke out an existence for the last forty or fifty years. I am making a simple request, and if the minister will just give us the assurance I ask, we shall trust to the future, so far as having the Japanese removed from that district is concerned.

Mr. MITCHELL: With reference to the Japanese owning any property, may I say that that cannot be done without permission of the Minister of Justice. To my knowledge I do not think any permission has been granted to Japanese, whether nationals or otherwise, to purchase property. My hon. friend may rest assured that the representations he has made this evening will be kept in mind by myself and passed on to the Minister of Justice.

Mr. ESLING: May I interrupt the minister? We have had this matter before the Department of Justice and before the Department of Labour, because there are indications that the Japanese are engaging in business. It would be a simple matter for the minister or the government just to assure the people of Kootenay West that the government is not going to permit those Japanese to go into business, either by licence, by purchase of land, or by the rental of premises for business purposes. Having endured the Japanese and the Doukhobors for all this time, the people of Kootenay West are entitled to a break, and to a little consideration.

Mr. SINCLAIR: I am one British Columbia member who, as yet, has not had an opportunity to put his views on the Japanese question before the committee. I have listened to what the Acting Prime Minister said as to the appropriateness of this discussion on this item. It is my intention to speak entirely within the item.

The attitude of British Columbia members toward the Japanese question cannot be laid to war hysteria. For forty years British Columbia members of parliament have come to this House of Commons and have said the same thing. Very early they realized that the Japanese could not be assimilated into their province, and they have said so. Year after year after year they have received these nebulous assurances that the matter was being studied, and that some policy would at some time be brought down. In the discussion to-night in which British Columbia members have taken part there has not been a single word of racial antagonism. There has been no mention of the horrors of Hong Kong, or of what the Japanese have done to United States and Canadian prisoners, or to the British prisoners they have taken. We have put it to-night as British Columbia members have put it for the last forty years, on the ground that Japanese do not fit into British Columbia, to begin with, or into Canada, secondly.

I am in the very happy position to-night of representing a coastal constituency in which there is not one Japanese—and that for the first time in forty years. I hope, and the people of my riding hope that that condition will continue after the war. I believe all the people of British Columbia, with the exception of the leaders of the Cooperative Commonwealth Federation, are agreed that the Japanese must go—the veterans, the trade unions, the womens' organizations, and, above all, the soldiers, sailors and airmen who are fighting for this country.

We hear about the problem of sending 23,000 Japanese back to Japan. Right to-day I am told that in this country we have over 30,000 German prisoners of war, and we all know that they will be hustled back to Germany very quickly and easily after the war is over.

Mr. REID: We hope so.

Mr. SINCLAIR: So that I can see no difficulty at all in getting 23,000 Japanese who are still Japanese—and so long as they are Shintoists and worship the emperor, they are all Japanese—back to Japan. However, the time perhaps is not opportune to discuss the removal of Japanese from Canada to Japan after the war, but certainly this is the opportune time and it is appropriate under this item to discuss the removal of the Japanese from the protected areas in British Columbia to the rest of Canada.

For forty years British Columbia members have come to Ottawa and talked about this Canadian problem. The rest of the members have regarded it as a British Columbia problem. But, put 23,000 Japanese for the duration of the war in the other eight provinces, and it will become a Canadian problem, and we shall hear the hon. member for Temis-

couata, the hon. member for Regina, and the hon. member for Cumberland raise their voices, as we have raised our voices all these years. And for the first time they will decide that the Japanese have no place in our Canadian life.

There has been a problem of defence. When the war is over we shall still have to think about defence. When Japan is beaten there will still be millions of Japanese who will stay on and breed again as they have done in the past—because they breed like rabbits. Twenty years from now, and they will again be looking for living space; let us not misunderstand that. We must have a white bulwark built up through which the Japanese cannot pass.

The Japanese who are interned must be well treated, and they are well treated. Our own standards of decency demand that and we do not want reprisals upon our boys who are prisoners of war. The only suggestion of persecution that has come from any Japanese has come from the 8,000 who have been transported east of the Rockies. There are many good Canadians who live east of the Rockies who do not regard that as any special persecution.

The people of British Columbia want answers to these questions, not necessarily from the Minister of Labour because, after all, he is the head of only one department. He has indicated to-night that no matter what he may think as a cabinet minister, as a private member he thinks as we do. In British Columbia we have heard another cabinet minister say that the Japanese shall not come back to British Columbia after the war. But the people of British Columbia want answers from the government to the four questions asked this afternoon by the hon. member for Vancouver South, which cover purely domestic matters and which should be settled right now even though we are at war.

The people of British Columbia would also like to hear some members from other provinces speak on this issue. For too long this has been considered to be only a British Columbia issue. We were all pleased early this session to hear the hon. member for Davenport speak learnedly and well about the problems of the west. The eastern members should consider some of the problems facing British Columbia on account of the Japanese and the Doukhobors. The people of British Columbia would like to hear from C.C.F. members from other provinces whether or not they are going to welcome the Japanese with the same open arms as the hon. member for Vancouver East.

[Mr. Sinclair.]

Mr. ROSS (St. Paul's): Mr. Chairman, I have listened to a number of British Columbia members speak about the Japanese. The hon. member for Vancouver North who has just taken his seat said that no member from the east has ever spoken on the Japanese question. I would draw his attention to the fact that a couple of years ago when the Japanese question was so pressing I was attacked by labour unions of one kind or another in Ontario for saying that we would take the Japanese under supervision if nothing else could be done with them. We did that and to a certain extent we relieved British Columbia of their problem. But we do not want them after the war and we took them on a definite understanding.

I have known the Japanese for a great many years since I am connected with a company that has done business with them. I do not want to see the Japanese put in the same category with the Chinese. You cannot trust a Japanese. I admit that we have not raised our voices enough about this matter, but if hon. members will cast their minds back they will remember that every time the Japanese were referred to in this House of Commons the ambassador from Japan would be sitting in the gallery. The next day we would have the Prime Minister or somebody on the opposite side saying, "Hush, or they will declare war on us."

We do not want the Japanese and that is all there is to it. If we have to take them as internees under supervision we are quite willing to do so, but we do not want them competing with labour in Ontario. In listening to what has been said to-night, I was struck with the thought that if bill No. 37 were in operation and these things were said outside the house, we would all be in gaol. Let the C.C.F. tell us the reason for this bill.

Mr. REID: I am pleased to hear the hon. member say that he does not want the Japanese, but where will he put them?

Mr. ROSS (St. Paul's): As the hon. member for Vancouver South has said, the same problem has been handled before by the Greeks and the Turks in times gone by. I do not think we shall have any difficulty in handling it. The hon. member for Vancouver North has said that it will not be a very great job because we have 30,000 German prisoners who will have to be sent out after the war.

Mr. NEILL: What is the name of the bill to which the hon. member referred, and who introduced it?

Mr. ROSS (St. Paul's): It is bill No. 37 and it was introduced by the hon. member for Vancouver East. It is to amend the criminal code and perhaps I should read it.

The CHAIRMAN: I think we would be going too far in the discussion to read a bill which has nothing to do with the item.

Mr. CRUICKSHANK: What party is that?

Mr. ROSS (St. Paul's): I do not know. As I say, I do not want any slurs and aspersions cast upon the Chinese during this discussion. There are some very fine Chinese in my riding in the city of Toronto; in fact I think I have one of the finest in Canada. His name is Chung Hong, and there is another one by the name of Ernie Marks. I am very much interested in the Chinese and I happen to be a patron of their patriotic society. I like them and I do not want them mixed up with the Japanese. They have done a wonderful job; that is all there is to it. I hope I have made my position clear as far as the Japanese are concerned. All hon. members have to do is to read some of the things said about them by Admiral Nimitz. It is such things as these that let us know just what the Japanese are.

Mr. O'NEILL: Mr. Chairman, after listening to the remarks of the acting Prime Minister who referred to matters of policy, I am not perhaps so enthusiastic, but I think I would be remiss in my duty as the member for Kamloops if I did not say something with respect to the Japanese question. The hon. member who has just taken his seat has said that he is quite prepared to have the Japanese in Toronto for the duration of the war.

Mr. ROSS (St. Paul's): I did not say in Toronto.

Mr. O'NEILL: But he does not want to have them after the war.

Mr. ROSS (St. Paul's): I said in Ontario, under supervision. We have some of them now.

Mr. O'NEILL: In Ontario, but they are not going to have them after the war. Where are they going to be?

Mr. ROSS (St. Paul's): Back in Japan.

Mr. O'NEILL: That is quite all right, but we do not know whether they will be back in Japan or not.

As the hon. member for Vancouver North has said, this is not a question for British Columbia alone; it is a question that concerns the whole Dominion of Canada and it should be so treated. Before the Japanese were moved from the restricted area on the coast there were none in Kamloops, and now North Kamloops looks like little Tokyo. There are about seven or eight hundred of them there. In June, 1942, we were given an undertaking that the Japanese would not be permitted to have any gasoline or to own cars or trucks; they were not to be permitted to have cameras or radios and so on. I want to tell you, Mr. Chairman, that the white people around Kamloops have no gasoline to take their families out joy-riding on Sunday. Some of the newest, finest, biggest and best cars in the district are owned and operated by Japanese, and they are out joy-riding on Sunday in those cars. Naturally, when the white people see that, they want to know what the government intends to do about the Japanese after the war, and I think they have a perfect right to ask that question.

The loyalty of the Japanese has at times been questioned. Some people have said that there has never been a case where it has been shown that there was any disloyalty by the Japanese, and certainly no sabotage. I am not in agreement with that statement. When the Japanese had to be moved out of the restricted area at the coast, a chain of the finest camps I ever went into was built for them around the Yellowhead pass from Jasper to Blue River, and two thousand Japanese were moved in there to work on that road. Immediately the Japanese started to stage sit-down strikes and what have you, until finally they had to be moved out of there. Their principal grievance was that they were not permitted to live with their wives and families. Well, what about our soldiers, our sailors and our airmen? They are not permitted to live with their families. They have to go to the fighting front. But when the Japanese come along, you have to provide them with accommodation where they can live with their wives and families. After they were moved out of the Jasper district, they were taken to South Slocan. I have here photographs of one of the camps. The government spent hundreds of thousands of dollars putting up buildings to house the Japanese, while many of the wives and children of our fighting men could not get a place to sleep. Yet we did all that for the Japanese! Then we have the leader of the house rising in his place and asking us not to ask the government what our policy after the war with respect to the Japanese should be. Well, Mr. Chairman, if the employees of the Department of Labour would not make the statements they do in public, perhaps members of parliament from British Columbia would not be making the statements they are making on the floor of

the house. But a Mr. Trueman of the Department of Labour made this statement in Toronto. He said:

> The reason for mass evacuation of Japanese from Pacific coastal areas was not because of the Japanese but because of the white residents. The problem was one of mass hysteria and race prejudice.

Mr. NEILL: Who was Mr. Trueman?

Mr. O'NEILL: He is one of the employees of the Department of Labour. He was put in there to handle the Japanese question.

Mr. CRUICKSHANK: A scab.

Mr. O'NEILL: In my judgment, he is a Jap. A man who would make such unforgiveable statements and display such ignorance of our Japanese question should not, I submit, be left in that position. That is one man who keeps the people of British Columbia believing that this government intends to keep the Japanese here when the war is over—and we certainly do not want them.

Many more things could be said about the Japanese, but I am going to close my remarks to-night by asking this question. What does this government—not the Department of Labour but this government—intend to do about the Japanese who own short-wave radio sets in Canada? They are operating short-wave radio sets in Canada right to-day, and when they can have a short-wave receiving set, it is not unreasonable to suppose that they have a transmitting set as well. They have them right in my district now. They get more privileges than anybody else in Canada. It is commonly said that the restrictions on butter and sugar do not apply to the Japanese. I do not know whether that is true or not. But certainly the restrictions placed on white men in getting gasoline and in getting lumber to use around the farm do not apply to the Japanese. There are no restrictions of that kind with respect to them. The Japanese get all the lumber they want, and there is a lot of activity going on. These Japanese are presumed not to be buying that land. Then who is buying the land for them? Surely we are entitled to know who the men are who are acting as agents for the Japanese. There must be somebody there who is doing that, because nobody will move off his land and let a Japanese take possession until he gets paid for his land—and the Japanese are moving in there. There are some five hundred to six or seven hundred Japanese right at Kamloops now. Before the war they were not there. Our position is just the reverse of that of the hon. member for Vancouver North. He has not any Japanese now, and he hopes it will remain that way. We have the ones he had before the war, and we hope that they will not be around Kamloops after the war. We do not say they have to go back to Vancouver North. It would be considered unparliamentary if I were to tell you, Mr. Chairman, where they should go. But at least I can say that they should go back to Japan.

Mr. BURTON: Mr. Chairman, I wish to express my appreciation of the addresses we have heard this afternoon from members from British Columbia, starting with the hon. member for Vancouver South and on down the line. They have presented their case very well. They have kept the bitterness of racial hatred out of it, especially after the Minister of National Defence gave the committee some reasons why we should not carry this debate to any great length, for the safety of our own in other places.

As I listened to hon. members from British Columbia presenting their case to-day and sensed the intensity of their feeling on this question, while I am not intimately acquainted with the Japanese problem, I have considerable sympathy with the hon. members. I spoke to this house just a short time ago on another matter and pleaded then with the house to be tolerant so far as the racial origins of Canadian citizens were concerned. Since that time the request has been made that someone from this group should speak. I am not the leader of this group, nor do I take it upon myself as the youngest member of it to speak for the group. But I have always felt with respect to any group of people that we welcomed to these shores, so long as they endeavoured to become true and worthy citizens of Canada, there should be no discrimination against them. I have held that view all these years, and I appreciate the fact that hon. members from British Columbia, in discussing the case of the Japanese, refrained from bringing racial hatred into the discussion, although as the debate progressed I fear the tone became worse because of the fear or hatred some members had of the political party to which I happen to belong.

In my opinion this question is too important to be used as a pretext for stirring up the feelings of the people. Yet some hon. members could not avoid dragging in references to the party to which I belong. They could not practise the tolerance which they displayed to what is certainly a far greater danger to the country than the C.C.F. They could not refrain from the opportunity of playing a little politics on a question of such vital concern to them and to the rest of Canada. One hon. member even brought up a reference to bill No. 37. It was entirely beside the point; but he did not tell the

committee that his own leader in Ontario passed a similar bill last session; he refrained from mentioning that his own dominion leader, while premier of Manitoba, and with the support of hon. gentlemen of the opposite party, passed a similar measure. It is all right when the Liberals do it; it is all right when the Conservatives do it, but lo and behold—

The CHAIRMAN: Order. I brought to the attention of the hon. member for St. Paul's when he was speaking that a discussion of bill No. 37 was out of order, and I must apply the same principle to the hon. member for Humboldt.

Mr. BURTON: I am sorry, Mr. Chairman, to have gone beyond the limits on this question. I bow to your ruling and acknowledge that it is correct. May I ask, however, why, when questions like this are under consideration, some hon. members seize the opportunity to indulge in little party bickerings for the sake of partisan advantage. To my hon. friends from British Columbia I would say that, if the issue is as serious as they have represented it to be, and I do not doubt their word, it behooves them to try to engage the good will of all of us to have it properly settled. In making my plea for racial tolerance and good will, I had primarily in mind those who are prepared to become true and worthy citizens of Canada. If the people to whom the hon. members refer refuse to become true and worthy citizens, that is another matter, but they must still be regarded as human beings. Whether British Columbia or any other province wants them or not, we have to find some way of dealing with the problem in a truly Christian manner. That is my reply, as far as I am concerned, to hon. members who wanted to hear an expression of opinion from the Co-operative Commonwealth Federation group.

Item agreed to.

Transfer of ex-coal mine workers back to the industry, $250,000.

Mr. HANSELL: Before this particular item carries I wish to bring one or two observations to the notice of the minister. As he knows, my constituency includes quite a large coal mining area known as the Crowsnest pass, and I believe this item interests the coal miners there. May I refer the minister to the case of the transference of a coal miner back to the Crowsnest pass from the Pacific coast. He will recall the case to which I refer, and of course it is an individual one, but I have promised my people that I will take up their individual grievances, and I have tried to do so. I told them that their problems would be my problems, for I believe that is the right attitude for a member of this house to take if he desires to serve his constituents.

This particular miner, desiring to be transferred back to his previous locality, which he calls home, refused, it is claimed, to take a medical examination by the doctors prescribed by the selective service board, preferring, if he had to undergo an examination, to go to his own union doctor in his home town. By the way, he had already been medically examined by his own doctor before he went to the coast. Because he did not submit to examination by the doctors prescribed by the selective service officials, he found, upon returning to his previous employment, that he would not receive his travelling expenses. I took the matter up with the department. I believe the deputy minister handled it; and the reply was, in effect, that because he did not go to the doctor whom the selective service board chose for him he could not get his expenses. I should like to know from the minister if that is the final word on the case. If it is, I suppose that all I can do is to launch a protest. I recognize, of course, that a man cannot do just whatever he wants. I know the minister desires that there shall be a certain amount of freedom, and of course the Department of Labour and the selective service officials could not permit everybody to do as he chose; if they did, they might as well not be there. But I want to ask the minister if there is no hope of this man getting his expenses. He transferred his family; in fact he had to sell his furniture to obtain the money to move, and since he is not able to go into the mine as regularly as some others, his earnings are appreciably less. The result is that he is hard pressed.

While I am on this subject, Mr. Chairman, I may point out to the committee that this particular item of a quarter of a million dollars and the previous item: "General labour transference in war labours and agriculture"—I fancy some coal miners may be included in that item—amount to $500,000. Here is a total of three-quarters of a million dollars for expenses of moving people around. Having that in mind, I do not think the government should be too miserly in investigating a man's expenses just because he does not meet every tiny detail demanded by some imperious selective service official.

I should like to say another word, because I have been waiting for this item. I have not discovered the subject in any of the other items. I refer now to coal miners' wages. We recall that last fall the coal miners went on strike because they did not feel they had been getting a high enough wage in comparison with their work. I believe that work is highly

specialized. It takes a great deal of time to train a coal miner. His work is extremely hazardous. Believing that they did not receive sufficient pay they went on strike. We all know what happened. They received a rise in pay and this was passed on to the public. I am not going to disagree with that. I recognize that in the coal mining industry, particularly in my constituency, as I have said many times before, they have been running on a shoe-string for a good many years. Just because the operator may have a nice big automobile it does not mean that he is a millionaire. I do not blame the government for passing on the rise in pay to the consumer of coal. May I point out that during that campaign a good deal of advertising went on, and some of the advertisements attempted to show that coal miners were excellently paid men. Those advertisements did not give the entire picture. I should like to give a little picture that most people do not see.

Here is the pay-sheet of a coal miner. I have a whole raft of them here. While this man earned $78.99 in two weeks which may sound to some people to be a fair wage, there were certain deductions. I shall read some of those deductions:

Cardox	$ 7 70
Fines	25
Wash house	50
Lamps	79
Doctor	6 00
Special assessment (burial fund)	1 00
Check weighman	97
Union	2 50
Bus	6 00
Community chest	39
War savings certificates	2 00
Unemployment insurance	72
Tax	12 81
Workmen's compensation board	09

That is a total of $41.72. Therefore the coal miner actually received $37.27 for his two weeks' work. Here is another one. I shall not read it all. His pay was supposed to be $45.51 for the two weeks. But he had deductions to the amount of $37.90, which left him only $13.02.

Mr. GERSHAW: How much did the doctor get out of the second one?

Mr. HANSELL: I do not believe that it is—

Mr. GERSHAW: The amount of $6 for the doctor in two weeks seems very high.

Mr. HANSELL: I do not know what it comprises. I do not think it would mean that the doctor was paid that amount for visits to the coal miner. I think it is paid into a fund and the doctor is paid a certain salary.

Here is the case of another man who is supposed to have earned $66.76 in the two weeks, but by the time all the deductions were taken off he actually received $32.50. I have a lot of them here, but I shall give the committee only one more. The total credit for this man's work amounts to $67.80; but after the deductions were taken off, which amounted to $40.49 there was a balance left of $27.31. Therefore the coal miner receives much less than the public thinks he does. I should like to put these on *Hansard*. I want the committee to recognize this because I believe we have a case for these coal miners. As I said, this is highly specialized work. It is dangerous, hazardous and very hard work. It is not very healthy work. The result is that very often these men become, shall we say, burnt out before they are able to apply for old age pensions.

There is another matter I should like to bring to the minister's attention. It does not come under the minister's department, but I mention it because I want him to try to influence the Minister of Finance along this line in his next budget. I refer to the present system of taxation, which penalizes the man who wants to produce more. We had the matter discussed at the last session. It was brought out by one or two able speakers, including my friend, the hon. member for Bow River. I think it was satisfactorily shown that the coal miner could earn up to a certain amount, and because his wage then comes into a certain bracket he is subject to a higher income tax, which means that when he earns over and above that amount he is working for very little. This has caused some absenteeism in the coal mines. I think if you approach it from the common-sense angle, the more a man produces—for, after all, during time of war it is production we need—the more he should get, or there should be some arrangement whereby, if he had any time that is considered to be overtime, he should not pay tax on that overtime. Some arrangement could be made whereby the desire on the part of the coal miner to produce a little more would not mean that he is to be penalized, because he goes to a higher bracket and is subject to higher taxation. I leave that thought with the minister. I think we all feel that as far as he is concerned he wants to do the proper thing for the workingman. Here is something that he can do if he and his government can influence the Minister of Finance to make some readjustment in that respect. I believe that the minister has wrestled with this thing before, and I did hear some inkling that he had some policy which he might propose in this respect, but it did not come to fruition. Perhaps what I heard was only a rumour. I wish that he would remedy that situation.

May I mention one other matter which I think is vital to an item of this kind? The other day the Minister of Munitions and Supply made a statement to the house to the effect that it was the intention of the government to set up a royal commission on coal. The other day an hon. member asked when this commission would be set up, and the minister replied that some difficulty had been encountered in getting suitable men to sit on it. When the minister announced that the commission was to be appointed I wondered, though I do not suppose this is very much in point, why the announcement should be made by the Minister of Munitions and Supply. I have been in this house now for well on to ten years, during which time I have been interested in the subject of coal. I have always understood that the actual mines came under the Minister of Mines and Resources; of course, we all know that the labour situation and labour legislation come under the Minister of Labour, and if it is a matter of selling coal, particularly to other countries, that comes under the Minister of Trade and Commerce. I was wondering where the Minister of Munitions and Supply came in, though I do not suppose it makes very much difference. I do not know if the minister stated the complete terms of the reference to this commission, but I hope there will be enough coordination between the various departments of government, so that when the commission is set up to determine a national fuel policy for Canada it will take into account the question of labour, the coal miner, the man who digs the coal from the ground, because, after all, in my opinion that is the most important phase of the coal mining industry. I should like to suggest that a coal miner should be on that commission, and when I say a coal miner I mean a man who can really represent the labourer who goes underground and gets out the coal, a man who understands the problems of the coal miners, so that whatever coal policy is decided upon will not leave the miner holding the bag and feeling that he does not get what he is worth, for eventually that feeling will cause dissatisfaction and the first thing we know we shall have strikes on our hands.

This is not my yearly speech on the coal mining industry, but I thought I might offer these few observations in passing and bring these matters to the attention of the minister. Perhaps at some future time I shall speak more elaborately on the coal mining industry. Would the minister just answer my question in respect to the Moutegani case? Is this case closed as far as he is concerned? Is there no hope for that man and others who may be in a similar position in regard to getting their transportation?

Mr. MITCHELL: I have knowledge of that case. I say to my hon. friend that I think we were as reasonable as we possibly could be in these regulations. They were laid down by order in council for the guidance of those who were responsible for carrying them out. This man apparently went out of his way not to comply with the regulations; I believe that was the position when I last dealt with the case. I should be glad to have another look at it and see if anything can be done for this man, but I could not go any farther than that.

Mr. HANSELL: I appreciate that.

Mr. MITCHELL: My hon. friend mentioned the coal commission. The war emergency coal production board comes under the jurisdiction of the Department of Munitions and Supply; that has to do with the production of coal, and that is why the Minister of Munitions and Supply made the announcement to which my hon. friend referred. If I remember correctly, the minister said that the terms of the reference were being studied and that in the not very distant future he hoped to be able to announce the personnel of the commission.

Mr. HANSELL: Would the minister say that he will urge the appointment to this commission of a coal miner, or someone representing the coal miners?

Mr. MITCHELL: Oh, absolutely; my hon. friend may rest assured of that.

Mr. GILLIS: I wish to compliment the hon. member for Macleod upon his presentation of the case. He is a man of the cloth, and if more such men took the interest in these matters that he has shown, the welfare of the miners might be better looked after. I do not understand the deductions he mentioned, though; they are far beyond the realm of anything sensible, to my mind, but since I am not familiar with them I am not going to comment upon them. I have no intention of making a speech on the subject of coal, because I fully realize that it does not come under this item.

Mr. HANSELL: Just to keep the record straight, I hope the hon. member means the deductions on these pay slips and not the deductions I made in my argument.

Mr. GILLIS: That is quite right; I meant the deductions on the pay slips.

I was glad to see the Department of Munitions and Supply take over the matter of coal. It had remained stagnant under the Department of Mines and Resources for

seventy-five years, and I was glad to see it put where it might be viewed with a new perspective.

I wish to make two points bearing specifically on these estimates. The first has to do with the matter of transferring a miner from some other essential industry back to coal mining. A few nights ago I cited a case of this kind in a general way. I think some of the government's under-officials are getting the thing badly mixed up. I mentioned the case of an ex-coal miner working in Windsor who was called in and routed out to Alberta, then sent from Alberta back to Nova Scotia. In the regulations, as the minister has said, definite rules are laid down in regard to matters of transportation; but the time this man lost in transit also should be taken into consideration. That has not been done in this case. This man was rejected for underground work by the medical board in Nova Scotia; now he is back in Windsor working at the Ford plant, whence he started. This is not a new case; it has been in the slings and a matter of negotiation with the department for a year. This man figures that in the shuffle he lost approximately $800; his family are still in Nova Scotia while he is living in Windsor, which is a double expense. However, the deplorable feature of the whole thing is that when the matter was finally sent back to Alberta, Windsor and Nova Scotia, as the department ruled it had to be, for a decision by the offices through which that man was routed around, as to whether that expense was legitimate or otherwise, the decision reached by the Windsor office, by the man who uprooted this workman in the first place, was that he was not obliged to make the shift, that he came in and volunteered to go back to coal mining, and that as far as the official in Windsor was concerned this man should receive no recompense for the time lost and the extra expense incurred. The man himself, the worker, submits a declaration to the effect that he was called in. And we know he must have been called in, because under the regulations that is the procedure.

The matter is now in the hands of the Department of Labour, and I trust that the minister will stick to the regulations, when he is deciding as to whether that man should be reimbursed for the time he lost in being shifted from one part of the country to the other, and that he is able to take his family back to Windsor, whence they were uprooted.

The second point I would bring to the minister's attention concerns the soldier who was released from the service and routed back to coal mining. Under the regulations that soldier-miner was granted $15 as a clothing allowance. Many of them coming out of the service did not know they were entitled to that $15. They purchased clothing and went to work. I took the matter up with the deputy minister, and he saw that it was corrected, in so far as he was able. He advised me that the treasury branch of the department were notified to see that those who had come out under the regulation were granted that $15, as per instructions.

That happened about a month ago. A large number of men have been affected along this line, particularly men in the mining industry of Nova Scotia. I had a letter only to-day from a district president of an organization advising me that they had checked on selective service offices in that district, and that the selective service officials there know nothing about the instructions sent out by the deputy minister to take care of that situation. There seems to be some laxity.

Let it be understood that I am not quarrelling with the selective service set-up in Nova Scotia. It has been my experience that it is working efficiently and well. I have visited the centre at Moncton, and most of the offices in the maritimes. But there is something wrong upstairs, right here. Those instructions do not get through to the officials in Nova Scotia. Had they got through, the matter would have been looked into. This is a sore spot, and there has been a good deal of controversy over it. This matter is all mixed up, and I hope that the minister will make a check and see that it is taken care of.

Mr. MITCHELL: I am familiar with the McKay case. It is a lengthy matter, and if my hon. friend would like to have a look at it to-morrow or next week, he may do so.

Mr. GILLIS: I have read it so often I know it by heart.

Mr. MITCHELL: And I have read it, notwithstanding the reading I have to do. If my memory serves me correctly, I believe I indicated to my hon. friend that the other matter is receiving consideration, and he may rest assured that where the claims are in order they will probably be paid.

Mr. WOOD: I would direct the attention of the committee to the administration of selective service in local offices. I must say, however, that I cannot agree with the hon. member for Cape Breton South when he says that many of the regulations made here in Ottawa do not get through to the local offices. I am inclined to take the view that it would be much better

if there were a little more local autonomy in connection with applying some of the regulations.

As the hon. member has said, in the main, selective service is doing a very good job. I was pleased to hear the hon. member say that, and on that point I can agree with him.

Mr. GILLIS: I said that was so in Nova Scotia.

Mr. WOOD: Well, what is characteristic of Nova Scotia might very well apply to Canada, because the same regulations go out to each locality. Each locality has a local situation, and those who happen to administer that local situation are probably in a better position to apply the rules than those who would make a blanket ruling here in Ottawa.

In war time, regulations have to be made, and they have to be applied universally. I sometimes think, however, that a certain leniency should be extended to local offices. My attention was called recently to the case of a farmer who sold his farm last fall. He had been suffering from an impairment of health. As hon. members must know, this job of farming is not meant for a physical weakling. The health of the man in question had been impaired to the extent that he could not farm successfully, but he was still able to contribute in other walks of life which require the expenditure of less energy and physical effort. This man went to the city and worked for a firm which was servicing farmers' products. Only the other day he got notice that because of the freezing order with respect to farms he would have to go back to agriculture. This man had moved to the city, and had taken his family with him. He had been a farmer, and had never worked for any other farmer, having always worked for himself. It seems to me that while we should have as many men as possible back on the farms, yet the man who has served his day in producing food at reasonable prices, even for the coal miners, for a period of years, should not be treated in that way. He had produced food at reasonably cheap prices, and had produced purchasing power of which the hon. member for Macleod has been speaking. Yet this man was asked to go back to the farm and accept $2 a day less than he had been receiving in the city.

The ACTING CHAIRMAN (Mr. Golding): The hon. member is speaking with respect to selective service. I would point out that that item has been passed.

Mr. WOOD: Perhaps what I am saying should have been said before, but the same principle applies. Both the hon. member for Cape Breton South and the hon. member for Macleod emphasized the difficulties in their particular walks of life, and I thought it only fair to draw attention to the fact that there have been farmers who have gone from the farms. Whether they went to the coal-mining industry, or to other industry, the principle remains the same.

The point I make is that the department should give a little more leniency to the local offices, because they can treat local cases. I have seen men with tears in their eyes when they have been ordered to transfer. Those transfers meant that they had to uproot their families. I believe selective service could give even greater help if it were permitted to give a little more consideration to particular cases.

I am not speaking critically, because I believe selective service has done a wonderful job. Canada's war record could not have been as good, had there not been some regimentation of industry. Despite the fact that our hon. friends across the way refer to a manpower muddle, I do not think it has been muddled, because our people have been able to give the greatest contribution per capita of any people in the united nations. But, after all, there is nothing so good but what it might be even better, and I would ask the minister to give consideration to the point I have raised.

Mr. BLACK (Cumberland): I should like to support the representations made by the hon. member for Macleod and the hon. member for Cape Breton South with respect to the administration of this vote. There are two coal fields in my riding, one at Springhill and the other at River Hebert-Joggins. All things being considered, the production from these fields since the beginning of the war has been gratifying. However, I was disappointed that the production in Cumberland and in Nova Scotia last year was not larger than it was. I believe, if a clear indication had been given at the beginning of the war as to what was to be the duty of the miners, the production would have been much more satisfactory.

At the beginning of this war, as in the last war, the miners of Nova Scotia enlisted freely. They considered this to be their patriotic duty. Many skilled men left the mines to enlist and the output was reduced. There has been dissatisfaction and uncertainty because of the more recent order which took men from the services from the call-ups and from industry and placed them in the mines.

Some men have complained that while they were classified as coal miners they had never been down in a mine. They may have done some casual labour at the pithead or in handling coal, but they could not be classified as miners since they had no such training or

experience. This is unfortunate from the point of view of morale of the miners generally. In many cases men have been taken from important work and sent to the mines against their wills. Coal mining is a hazardous employment requiring great skill and experience and the department is assuming serious responsibility when it takes men against their will and sends them into the mines.

The miners of Nova Scotia are anxious to serve where they can be of the most use to their country. That is why they enlisted so freely in the last war and in the present war. I should like the minister to give us a breakdown of this appropriation of $250,000 now being considered by the committee. I should like to know how the money is being distributed, how much is being spent in Nova Scotia and how much in other parts of Canada.

Mr. MITCHELL: We have not a breakdown in front of us. I suppose the hon. member refers to Saskatchewan, Nova Scotia and New Brunswick?

Mr. BLACK (Cumberland): Yes. How much of this is appropriated to the coal mining industry in Nova Scotia, and under just what headings?

Mr. MITCHELL: This is for the new fiscal year and we do not just know where the money will be spent. It is to cover transfers and the guarantee of a minimum weekly wage to those who are transferred, and to pay expenses connected therewith.

Mr. BLACK (Cumberland): How was this same amount expended last year?

Mr. MITCHELL: I have not that before me, but I shall be glad to get it for my hon. friend.

Mr. MARSHALL: I do not intend to hold up the passing of this particular item. I had intended to say something on the sundry services item, but I shall leave that until the civil estimates of the minister are before us. I should like to suggest to the minister that a little more care be taken in setting out his estimates. These estimates are given on page 396 of *Hansard* of February 11 and they show a total appropriation for 1943-44 of $21,558,192. According to the statement in *Hansard* it would appear that the estimates this year were increased by $2,450,000, whereas the statement submitted by the minister shows a decrease of $283,011.

If the minister will check the statement which was given to us a few days ago he will find that no fewer than seven items do not correspond with what is to be found in *Hansard*. For instance, at the top of page 2 of the statement we find an item covering stabilization of longshore labour at Halifax. No amount is shown in *Hansard*, while an amount of $600,000 is shown on the white sheet. Item 13 provides for assistance to the provinces in recruiting, transporting and placing labourers on farms. A statement in *Hansard* shows an amount of $250,000, whereas the white sheet shows $920,000. Item 15 covers the transfer of ex-coal mine workers back to the industry. Nothing at all is shown in *Hansard*, but an amount of $250,000 is shown on the white sheet. There may be an explanation for this and, if so, I should like to have it before the estimates are passed. There may be two or three items included under sundry services, but I shall leave a discussion of those until the civil estimates are up later on.

Mr. MITCHELL: Since the items were drafted in the department there have been some changes made by the treasury board. I have not been able to put my hands on the *Hansard* to which my hon. friend referred. He says that nothing is shown to cover the transfer of ex-coal mine workers, but I think he will find that an amount of $250,000 is shown.

Mr. MARSHALL: Possibly the minister is looking at the 1944-45 column.

Mr. MITCHELL: That is right.

Mr. MARSHALL: I am talking about the estimates of last year. According to *Hansard* this year the minister is asking for an increase of $250,000. In reality there is a decrease of $283,000 in the estimates. To me that does not show a true picture.

Mr. MITCHELL: I am informed that we did not use all the money that was made available to us a year ago and that it was turned back to other departments which had overspent their estimates.

Mr. MARSHALL: That is not the answer, because these are only estimates; they are not actual expenditures. It is a different thing to show estimates and to show actual expenditures.

Mr. BLACK (Cumberland): I would ask the minister, in connection with this item of $250,000, how many men were drawn from the armed services and put back in the mines of Nova Scotia during the last fiscal year. Also how many were taken from other industries and put back in the mines of Nova Scotia, and how many, if any, were taken from the farms and put in the mines? I should also like to know how many men who were called up under the National Resources Mobilization

Act for military service, were assigned to the mines, work in the mines, being given priority over the military service they would otherwise have undertaken.

Mr. MITCHELL: We have not the figures broken down in that form, but the number of ex-coal miners returned from the armed services to the coal mines to March 15, 1944, was 2,144; the number of ex-coal miner workers returned to the mines under P.C. 4092 to March 15, was 2,276; the number of persons directed to mines under P.C. 4861 and P.C. 6077 to March 15 was 485.

Mr. BLACK (Cumberland): Are those figures for Nova Scotia mines?

Mr. MITCHELL: We have not the figures broken down by provinces. I would be glad to get that for my hon. friend.

The net result was this: Number of coal mine workers on payrolls June 1, 1943 was 24,864, and at March 15, 1944 was 27,816, an increase of 2,952 workers, or 12 per cent.

Item agreed to.

Sundry services, $179,805.

Mr. PERLEY: Mr. Chairman, we took a long while on item 12 and then items 13 and 14 were passed so quickly I did not have an opportunity to ask a question. May I be permitted to revert back to item 13?

Mr. MACKENZIE (Vancouver Centre): Ask the question on this last item for sundry services.

Mr. PERLEY: Would the minister state what amount of assistance was given to each province in farm recruiting, and what was the nature of the services performed, and the amount paid for transportation?

Mr. MITCHELL: Here is a summary of expenditures under "assistance to provinces in recruiting, transporting and placing labourers on farms" to March 31, 1944.

Nova Scotia	.....
New Brunswick	$ 3,626 17
Prince Edward Island	2,030 67
Quebec	8,982 63
Ontario	130,970 88
Manitoba	20,187 31
Saskatchewan	78,314 37
Alberta	12,613 89
British Columbia	.....
Transportation of farm workers (general)	181,320 70
Total	$438,046 62

Mr. PERLEY: How many were placed on the farm in Saskatchewan under this assistance?

Mr. MITCHELL: I have not the information under my hand, but I could get it for my hon. friend.

Mr. KNOWLES: I have been looking over the items to find the appropriate one on which to ask a question with reference to labour-management production committees.

Mr. MITCHELL: That comes under this item.

Mr. KNOWLES: I am sure that the minister will agree with me that the most satsifactory kind of labour-management arrangement is that which is effected by collective bargaining. Yet there are cases where collective bargaining is not in effect and where the next best thing is to have a labour-mangement production committee. Would the minister make a brief statement as to the activities of his department in encouraging these committees and as to what success he has had? He might also tell us whether the Department of Labour maintains any liaison with other departments of government to encourage government-owned enterprises and government controllers to adopt this principle.

Mr. MITCHELL: Speaking from memory, I believe a committee was set up under the chairmanship of Mr. Goldenberg of the Department of Munitions and Supply. Mr. H. J. Carmichael, director of war production, is also a member of the committee; Mr. Percy Bengough, President of the Trades and Labour Congress of Canada; Mr. Pat Conroy, of the Canadian Congress of Labour, and Mr. J. A. Parent, representing the National Catholic Syndicates, are among the members of the advisory committee. That committee has this matter under its advisement. There are also permanent officials in the Department of Labour appointed since I have been minister, whose duty it is to foster the development of these committees. I agree with my hon. friend in the principle of labour-management committees, but the feeling even in the labour movement and among employers is not unanimous about such committees. Even in Great Britain they have not been set up by law; there is no compulsory cooperation. At the present time in the mines of Nova Scotia an attempt is being made through my department to establish these committees in conjunction with the employers and employees there. I tabled a return, I think it was last session, of the number of committees that were operating in the Dominion of Canada; there now are 160. My hon. friend can rest assured that as far as the Department of Labour and other departments of government, and the parent bodies of the labour organizations in this country, are concerned, they are moving with expedition in the direction to which my hon. friend referred.

Mr. KNOWLES: May I say a further word in connection with the latter part of my question? Perhaps I can put the matter more clearly by bringing to the minister's attention a case with which I am familiar. I shall not give the name of the firm because I merely want to quote the circumstances as an example. I know of a private firm which happens to be under the direction of a government controller. The firm has no collective agreement with its employees, although the employees have sought it. When they found that there was delay in arriving at a collective agreement, as a second best they made inquiries as to whether the management, namely the controller, would consider the setting up of a labour-management committee. To my knowledge, to date that has not been done in this particular firm. My reason for quoting that case is to ask the minister whether his department takes any particular pains to bring to the attention of government controllers the desirability of labour-management committees where collective agreements are not arrived at.

Mr. MITCHELL: I do not know whether my hon. friend is asking for information or wants to make a speech. I do not know the company. If my hon. friend would give me the name of the company I should be glad to look into the matter, but he can see the position I am in. He has talked about somebody who wants one of these committees and somebody who does not want them. I should be glad if my hon. friend would give me the name of the organization, and I will look into the matter and see if there is an opportunity of establishing one of these committees, if there is agreement on both sides.

Mr. KNOWLES: I will give the minister the name of the company privately. My reason for not mentioning it here is that I wanted to be informed on a matter of policy and principle rather than to name a particular firm, at least for the present.

Item agreed to.

Progress reported.

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

Monday, May 8, 1944

The house met at three o'clock.

PRIVATE BILL

FIRST READING

Bill No. 109, to incorporate the Alberta Provincial Bank.—Mr. Blackmore.

[Mr. Mitchell.]

PRIVILEGE—MR. LACOMBE

REFERENCE TO ARTICLE IN LE CANADA OF MAY 8, 1944

Mr. LIGUORI LACOMBE (Laval-Two Mountains (Translation): Mr. Speaker, I wish to raise a question of privilege. In its edition of to-day, May 8, 1944, the newspaper *Le Canada,* has the following caption:

Mr. Victor Trépanier states that Mr. Maxime Raymond is a yes-man, a rubber stamp and a haggler.

The same newspaper also quotes Mr. Trépanier as follows:

Mr. Trépanier has condemned the 65 yes-men, the 65 rubber stamps, the 65 hagglers we have in Ottawa, and he has added that they were no longer "fit to represent the people."

I protest against the statement of Mr. Trépanier, who sweepingly impugns the reputation and the stand of the 65 members from the province of Quebec.

I, for one, am neither a "yes-man," a "rubber stamp" nor a "haggler." I was the only member from the province of Quebec, with the exception of the hon. member for Quebec-Montmorency (Mr. LaCroix), to oppose, through amendments, our participation in the war and the mobilization act.

SELECTIVE SERVICE

MEASURE TO AMEND INSTRUCTIONS TO EMPLOYERS AUTHORIZED DECEMBER 31, 1943

Mr. J. SASSEVILLE ROY (Gaspé) moved for leave to introduce bill No. 110, to amend certain instructions of the national selective service of the Department of Labour.

Mr. POULIOT: Explain.

Mr. ROY: The paragraph to be amended at present reads as follows:

1. Definition of employer: For this purpose, every person, partnership, company, firm or corporation in Canada, employing any male person normally regarded as a full-time employee, regardless of the method of payment of such employee for his services, comes under the definition of "employer." The dominion government, the governments of the provinces, as well as municipal institutions are employers for this purpose. The term employer includes also any farmer operating a farm, who has working for him a male employee, even though such employee be a son or other relative.

The purpose of the amendment is to strike out the definition of employer, a "farmer operating a farm," so that a farmer would not be compelled to act as informer against his son or other relative.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk)

CANADIAN ARMY—MAJOR GENERALS, BRIGADIERS AND COLONELS

Mr. DIEFENBAKER:

1. How many major-generals, brigadiers and colonels are there now on the active list, (a) overseas; (b) in Canada?

2. How many were there at the beginning of the war?

3. How many were there on the 11th of November, 1918?

Mr. MACDONALD (Halifax):

1. As of 30th April, 1944:

	Major-Generals	Brigadiers	Colonels
Overseas	9	72	99
In Canada	17	56	143
Employed with other government departments or agencies	5	5	5
On leave pending retirement	3	2	6

2. On 1st September, 1939: Major-Generals, 7; Brigadiers, 14; Colonels, 24.

3. Canada and Overseas: Major-Generals, 29; Brigadier-Generals, 59; Colonels, 148.

EXPORT AND IMPORT OF HORSES

Mr. HANSELL:

1. How many horses were exported to the United States during 1943?

2. Through what ports did these horses pass, and how many through each port?

3. How many horses were imported into Canada from the United States in 1943?

Mr. MacKINNON (Edmonton West):

1 and 2.

Exports of Horses to the United States, calendar year 1943.

Province	No.
New Brunswick	900
Quebec	6,593
Ontario	4,167
Manitoba	68
Saskatchewan	726
Alberta	4,380
British Columbia	180
Total	17,014

Exports by ports not available.

3. Imports of horses from the United States: Calendar year 1943—331.

EMPLOYMENT OF WOMEN IN WAR CHEMICAL PLANTS

Mr. GAUTHIER:

How many women are employed, in each province of Canada, in war chemical plants?

Mr. MITCHELL:

Employment as at April 1, 1944

	Total employees	Women employees
Quebec	17,148	6,049
Ontario	12,886	5,142
Manitoba	2,337	493
Alberta	407	42
British Columbia	133	6
Total	32,911	11,732

CANADIAN ARMY—GRANTS AND ALLOWANCES ON DISCHARGE

Mr. HAZEN:

1. What clothing allowance is paid to officers of the Canadian army on discharge?

2. What rehabilitation grant is made to officers of the permanent force?

3. Are such grants in addition to the pension of such officers of the permanent force?

4. What rehabilitation grant is made to the officers of the Canadian army who are honourably discharged as being over age?

5. What rehabilitation grant is made to the officers of the Canadian army who are honourably discharged on grounds of medical unfitness?

6. What rehabilitation grant is paid to such officers who are honourably discharged for any other reason?

Mr. MACDONALD (Halifax):

1. None, except those officers of the force who have been cashiered or dismissed from the service and who are entirely without funds, and who have no balance of pay standing to their credit which may be used for the purpose of purchasing civilian clothing, who may, on the specific authority of the district officer commanding, be given a grant of $65 for such purpose.

2. Thirty days' pay of rank or appointment and one month's dependents' allowance, provided they have completed 183 days continuous service. Dependents' allowance is paid to the dependent of the officer concerned.

3. Yes.

4, 5 and 6. See answer to 2 above.

UNEMPLOYMENT

Mr. COLDWELL:

What was the total number of persons registered as seeking employment under the selective service, but not actually placed in employment, as of April 1, 1944, (a) in Canada; (b) by provinces?

Mr. MITCHELL:

	Number of persons registered as seeking employment at employment and selective service offices but not actually placed in employment March 30, 1944	Total applicants referred to jobs March 30, 1944	Net registrations in process of placement March 30, 1944	Requests for employees in process of being filled March 30, 1944
Prince Edward Island	219	91	128	199
Nova Scotia	2,098	802	1,296	5,956
New Brunswick	1,602	850	752	3,713
Quebec	25,737	12,220	13,517	42,410
Ontario	19,425	10,290	9,135	64,162
Manitoba	3,613	935	2,678	5,879
Saskatchewan	1,844	445	1,399	3,389
Alberta	3,243	982	2,261	5,117
British Columbia	7,513	2,982	4,531	11,657
Total	65,294	29,597	35,697	142,482

PATROL CRAFT—PALMER AND WILLIAMS, SUMMERSIDE

Mr. FRASER (Peterborough West):

1. Has the firm of Palmer and Williams Limited, of Summerside, P.E.I., a contract for the construction of patrol craft for the government?

2. If so, how many of these patrol craft were turned out by the Palmer and Williams company during the years 1941, 1942, and 1943?

3. What is the amount which was paid for each of the said patrol craft so constructed?

4. What was the nature of the contract with the Palmer and Williams company; was it, (a) a contract by competitive bid; (b) a cost-plus contract?

Mr. HOWE:

1. Yes.

2. 1941, none; 1942, partial work on nine craft transferred from E. A. Chappell; 1943, ten.

3. The prices paid to Palmer and Williams Limited for the completion of the nine craft transferred from E. A. Chappell varied in accordance with the amount of work which remained to be done on each craft. They were as follows (sales tax extra): one at $1,700; one at $1,750; two at $1,755; one at $4,450; four at $4,625. The prices paid to Palmer and Williams Limited for complete work on an additional ten patrol craft were as follows (sales tax included): seven at $8,000 each; three at $9,450 each.

4. None of the contracts were cost-plus. Two were let on a competitive basis and four were negotiated.

CANADIAN FORCES—ENLISTMENT OF ALIENS

Mr. ROY:

1. In what Canadian regiments and units have United Kingdom subjects who were not nationals of Canada, and aliens in general, enlisted?

[Mr. Coldwell.]

2. What are the figures for each regiment and unit?

Mr. MACDONALD (Halifax): This information is not available. It is only recently that attestation papers called for answers which would furnish any part of this information.

CANADIAN FORCES—ENLISTMENT OF ALIENS

Mr. ROY:

1. How many subjects of the United Kingdom who were not Canadian nationals have enlisted in the three Canadian armed services, and how many in each service?

2. How many aliens of every origin have enlisted in the three Canadian armed services, and how many in each service?

Mr. MACDONALD (Halifax): So far as the army is concerned, this information is not available.

QUESTIONS PASSED AS ORDERS FOR RETURNS

IMMIGRANT REFUGEES

Mr. RAYMOND:

1. Since the 10th day of December, 1943, how many persons were granted a permit by the government under the provisions of order in council 9440 concerning the status of immigrant refugees?

2. Among the persons who obtained such permit, have any been employed by the dominion government or commissions or undertakings of said government since their arrival in this country, or are any employed at present by the dominion government or commissions or undertakings of said government?

3. If so, (a) what number; (b) what are their names; (c) what were or are their duties; (d) what amounts did they or do they receive?

NATIONAL COUNCIL FOR CANADIAN-SOVIET FRIENDSHIP

Mr. DORION:

1. What is the set-up of the "National Council for Canadian Soviet Friendship"?
2. Has this council been legally organized? If so, how, and when?
3. Is this council controlled by the government? If so, in what manner?
4. Has this council obtained from the government the authorization to import from U.S.S.R. soviet films, photographs of life in the U.S.S.R., posters being used in soviet factories, books and pamphlets about all aspects of life in the Soviet Union? If so, has it been authorized to deliver to Canadian labour unions these films, photographs, books, etc.?

HON. J. G. TAGGART

Mr. NICHOLSON:

What has been the total amount paid to Honourable J. G. Taggart by the federal government since the outbreak of war?

LABOUR CONDITIONS—FIXING OF SALARIES OR WAGE RATES FOLLOWING DISPUTES OR STRIKES

Mr. RAYMOND:

1. Since December 16, 1940, has the government passed orders in council fixing salary rates in specified industries or concerning specified classes of workers following industrial disputes or strikes?
2. If so, (a) how many; (b) on what date was each of such orders in council passed; (c) what industries and classes of workers were affected by such orders in council?

Mr. MITCHELL: Return tabled.

MOTIONS FOR PAPERS

MOBILIZATION ACT—DIVISION "E", MONTREAL

Mr. LACOMBE:

For a copy of all telegrams, correspondence and other documents exchanged between all persons and the registrar for division "E", Montreal, since the first day of August, 1940, as to persons in the county of Laval-Two Mountains called under the mobilization act.

Mr. MITCHELL: I would ask that this motion be dropped, because it is not possible to supply the material asked. The files of the registrar's office are noted in numerical sequence, and according to their call-up number. There is no grouping or recording by electoral districts. However, if the hon. member wishes information respecting any particular case I shall be glad to make an effort to get such correspondence.

Mr. LACOMBE: I will submit to the minister particular cases.

Mr. SPEAKER: Dropped.

BARRIEFIELD MILITARY CAMP—BILINGUAL SECTION

Mr. POULIOT:

For a copy of all letters, memoranda and reports, (a) for the establishment, and (b) for the abolition of the bilingual section at A-21, C.O.C.T.C., Barriefield, since September, 1941.

Mr. MACDONALD (Halifax): No recommendations have been made and no submissions received at National Defence headquarters for the establishment of a bilingual section at A-21, C.O.C.T.C. Barriefield.

Mr. SPEAKER: Dropped.

Mr. POULIOT: Might I be allowed to amend the motion by substituting the words "a course in French" for the words "the bilingual section"?

Mr. SPEAKER: The motion can stand, and the hon. member can take it up with the parliamentary assistant.

Motion stands.

PUBLIC RELATIONS OFFICERS, ETC.

Mr. CHURCH:

For a return showing the total number of persons employed by each government department and all outside boards and control boards and government commissions in what is known as, (a) public relations officers; (b) press agents; (c) liaison officers; the return to show the total number of such persons in, (i) civil work; (ii) war work, so engaged.

RADIO BROADCASTING—MISS CLAIRE WALLACE

Mr. ROSS (Souris):

For a copy of the contract between the war finance committee and/or the C.B.C. and Miss Claire Wallace, together with all correspondence relating thereto, and a report on discussions regarding salary or stipend for broadcasting by the said Claire Wallace on behalf of the war finance committee; also a statement showing the total amount of money paid as salary or stipend, and any and all expenses, including travelling, hotel expenses, honorariums, etc., during the year 1943 and down to date in 1944.

Mr. POULIOT: Mr. Justice McTague's order.

GASPE OIL-BEARING FIELDS

Mr. ROY:

For a copy of all letters, memorandum, telegrams and other documents exchanged between the dominion government and the government of the province of Quebec since 1940 concerning the oil prospects of the Gaspe oil-bearing fields and matters related thereto.

FREIGHT CHARGES ON WESTERN WHEAT TO QUEBEC FARMERS

Mr. GAUTHIER:

For a copy of all correspondence exchanged between the government of the province of Quebec and the dominion government or the

federal Department of Agriculture concerning the payment of part of the freight charges on western wheat to farmers in the province of Quebec, from 1935 to 1944 inclusive.

FARM LOAN BOARD—S. T. SHABBITS

Mr. NICHOLSON:

For a copy of all letters, telegrams and other documents in possession of the government in connection with the resignation of S. T. Shabbits, an employee of the Canadian farm loan board, in 1944.

WESTMINSTER HOSPITAL, LONDON, ONTARIO—DISMISSAL OF HERBERT SIMPSON

Mr. NOSEWORTHY:

For a copy of all correspondence between the Department of Pensions and National Health and Westminster hospital regarding the dismissal of one Herbert Simpson, together with a copy of any reports of any investigation held in connection with said dismissal.

Mr. MACKENZIE (Vancouver Centre): I take objection to this motion. Mr. Simpson, who had been employed by Westminster Hospital, London, Ontario, was dismissed for cause. Westminster hospital is a departmental institution, and its staff are members of the Department of Pensions and National Health. It is not the practice, and it would not be in the public interest, to table any correspondence or report from departmental employees to their superior officers in the same department.

Mr. SPEAKER: Dropped.

CANADA STEAMSHIP LINES

DAMAGE TO MONTREAL FREIGHT SHEDS BY FIRE

On the orders of the day.

Mr. GORDON GRAYDON (Leader of the Opposition): I have a question I should like to ask the Minister of Justice, under whose jurisdiction comes the Royal Canadian Mounted Police. Is an inquiry being instituted into the cause of last Friday's costly fire which damaged the freight sheds of the Canada Steamship Lines on Montreal's waterfront, with the object of ascertaining whether or not factors of sabotage entered into the matter? One reason for asking the question, in addition to that of public interest, was that one eyewitness was alleged to have stated that the fire seemed to have started at three different places at the same time.

Hon. L. S. ST. LAURENT (Minister of Justice): Notwithstanding the fact that these freight sheds were private property, and under the control and in the custody of Canada Steamship Lines, as the owners thereof, because of the extent of the damage and the nature of some of the commodities destroyed, the inspector of the Royal Canadian Mounted Police at Montreal immediately initiated a full investigation of the circumstances surrounding the fire. He has reported to the commissioner that there is no evidence whatsoever that would be grounds for suspicion of sabotage.

Mr. GRAYDON: Does the minister know whether inquiries have been instituted by either the municipal or the provincial authorities?

Mr. ST. LAURENT: I did not inquire as to that. This was an investigation conducted by the inspector of the Royal Canadian Mounted Police at Montreal. He reported that he investigated all clues or indications and that there were no grounds for any suspicion of sabotage.

INTERNATIONAL FINANCE

BANK FOR INTERNATIONAL SETTLEMENTS

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): I should like to direct a question to the Minister of Finance. The Montreal *Gazette* in its news columns to-day reports:

> War or no war, the Bank for International Settlements will hold its 14th annual meeting on May 22 at its headquarters in Switzerland.

The report states that representatives of the allied nations will attend the meeting, as well as banking representatives of the axis group. I desire to inquire of the government if the Bank of Canada is a member of the Bank for International Settlements and, if so, is it the policy of the government to have the Bank of Canada, under the present circumstances, represented at this meeting. I would further like to know if the Canadian government or the Bank of Canada has any deposits or any financial interest of any kind in the Bank for International Settlements.

Hon. J. L. ILSLEY (Minister of Finance): I would like to ask my hon. friend to let this question stand and I will give him an answer to-morrow.

CANADIAN FORCES

CONSCIENTIOUS OBJECTORS—FORT OSBORNE BARRACKS, MILITARY DISTRICT NO. 10

On the orders of the day:

Mr. RALPH MAYBANK (Winnipeg South Centre): Mr. Speaker, I should like to direct a question to the Minister of National Defence, and in order to do this I should like to

give some information which has been sent to me by way of telegram. I have received a number of telegrams to-day from Winnipeg alleging that serious assaults have been perpetrated upon persons in military district No. 10, at the Fort Osborne barracks. The persons alleged to have been assaulted are said to be conscientious objectors of the sect known as Jehovah's Witnesses. I would ask the minister if he is already informed as to these allegations and whether he can at the moment make any statement with respect to them. If he is not informed, will an investigation be made and a statement given later?

Hon. J. L. RALSTON (Minister of National Defence): I may say that I have had several communications, probably from the same sources as those from which the communications to my hon. friend emanated. I think several of the telegrams referred to the same individuals. I immediately gave instructions to the adjutant general to have a full inquiry made, to work by telephone if necessary, and to carry on whatever investigation might be required in order to probe to the bottom the allegations which were made in these communications.

MOUNTED POLICE

KILLING OF MAN CHARGED WITH CONSPIRING TO COMMIT AN INDICTABLE OFFENCE

On the orders of the day:

Mr. JEAN-FRANÇOIS POULIOT (Temiscouata): Mr. Speaker, this morning a news item appeared in all the papers to the effect that a draftee or conscript was killed by a member of the mounted police in the county of Levis, near Quebec city. I should like to know if the government has been informed whether this conscript was armed at the time he was shot and, if so, what was his weapon? If the government cannot give this information to-day, I shall be thankful if they will give it to-morrow.

Hon. L. S. ST. LAURENT (Minister of Justice): As soon as this matter was brought to my attention I asked for information from the commissioner of the mounted police and I was informed that this man was being pursued because he had been charged with conspiring to commit an indictable offence under section 573 of the criminal code. They had been searching for him for several months and having obtained information that he was in the vicinity of St. Lambert, a patrol was sent out to locate him at 3 a.m. yesterday. Upon arrival at the spot it was found that he was not there, but when the patrol returned about 5.30 yesterday morning he was found in bed. When they proceeded to the chamber he jumped out through a window and started to run away. The constables pursued him and fired four or five shots in the air without his slowing down his pace at all. They then fired twice at the ground to one side of the fleeing man, and they saw him fall. They ran up to him and found that unfortunately a bullet had richocheted and struck him. They immediately called for transportation to take him to the hospital but before they reached the hospital he died.

Mr. POULIOT: But he was carrying no weapon at that time?

Mr. ST. LAURENT: I did not inquire into that point. I presume that had he been found in possession of a weapon it would have been mentioned in the report. There was nothing in the report to indicate that he was carrying a weapon.

Mr. POULIOT: Will the minister be kind enough to secure that information?

Mr. ST. LAURENT: Certainly.

HOUSING

QUESTION AS TO PLAN FOR CONSTRUCTION OF LOW RENT DWELLINGS IN WINNIPEG

On the orders of the day:

Mr. S. H. KNOWLES (Winnipeg North Centre): Mr. Speaker, I should like to ask a question of the Minister of Finance, of which I gave notice earlier to-day. In view of the telegram sent to the minister on Saturday by the clerk of the council of the city of Winnipeg will the minister indicate whether a plan for the construction of low rent dwellings, such as has been announced for Montreal and Toronto, will be available for Winnipeg? Will the minister see to it that details of the Montreal and Toronto plans are furnished to the Winnipeg city council?

Hon. J. L. ILSLEY (Minister of Finance): I know of no plan which has been worked out in Toronto. However, a plan has been worked out in Montreal by a group of public spirited citizens there. If a similar group in Winnipeg will do the same thing and make such suggestions as they see fit to the Department of Finance, they would of course be considered. I want to say that it is hard to answer yes or no to the question asked by the hon. gentleman because the Montreal plan is adapted to conditions in Montreal and it might be very misleading if I were to say that if exactly the same plan were suggested for Winnipeg the reaction of the Department of Finance would be favourable. Certainly a plan following the general principle of the Montreal plan would receive consideration, I would hope favourable consideration, but it would depend upon the particulars of the plan itself.

With regard to the particulars of the plan, I may say that I received the telegram from the city clerk of Winnipeg referred to by the hon. gentleman. I have prepared a somewhat long letter which I propose to send which gives or directs him to all the necessary information about the Montreal plan.

HOGS

CONGESTION AT WINNIPEG PACKING PLANTS

On the orders of the day:

Mr. WILLIAM BRYCE (Selkirk): I should like to ask a question of the Minister of Agriculture which affects the production of food in Canada. Our farmers are striving to produce the best select hogs, but the present congestion at the Winnipeg packing plants forces the farmers to hold back their hogs with a serious loss in grade due to overweight. What steps are being taken to overcome this difficulty?

Hon. J. G. GARDINER (Minister of Agriculture): Mr. Speaker, the question has to do with the present heavy run of hogs and beef cattle to packing plants. The statement made by the hon. member for Selkirk would suggest that there is some difficulty in getting these hogs and cattle through our packing plants, and there is.

For the information of the house, the number on the payroll at the packing plants in Winnipeg on January 1, 1944 was 3,450, and on April 22, 1944, the number was 3,684. In other words there were over 200 more employees in the packing plants at Winnipeg on April 22 than there were on January 1 of this year. That is a very unusual condition. In the past it has been usual for hog deliveries to be low at this time of the year as compared with the earlier period. But as a result of the great production of live stock upon farms this year as compared with any previous year, the run through the plants both of hogs and cattle is unprecedented. There were about seventy-five per cent more hogs going through the plants weekly in February and March of this year than were going through the plants a year ago, and they are still running about forty per cent over the same period a year ago. While we were not processing any beef for export a year ago, we have up to date purchased for export what would amount to about 105,000 head of cattle, to be processed and shipped to Britain. That will give some idea of the increase in the food production and in live stock from the farms and of the greatly increased work which the processing plants have had to do in getting this meat through the plants and on its way to Britain. The Labour department was appealed to some weeks ago to assist in providing labour for these plants, and the Department of Labour and the Department of Agriculture have been in contact with the farm organizations of western Canada and the western governments and have at present the cooperation of the three western governments and the farm organizations of the west in securing all the labour possible for these plants.

It would appear that this is not a temporary condition but one which will continue to exist, owing to the very high deliveries of live stock to the plants. An attempt is therefore being made, and I think successfully, by the labour department to secure the necessary labour to keep the live stock moving through the plants just as rapidly as possible.

Mr. PERLEY: May I follow up with a question the minister's statement that there is difficulty in the marketing and processing of live stock. Is he considering setting up a board of live stock commissioners? I think there is a need for it. Would he make a statement on that?

Mr. GARDINER: The last question refers to a matter of government policy. The matter has been under consideration for some time and is still under consideration.

Mr. CASTLEDEN: The minister admits that there is congestion at Winnipeg. Has consideration been given to increasing temporarily the weight limits on hogs and cattle to prevent a loss to the farmer as a result of this congestion?

Mr. GARDINER: There are no weight limits on cattle. There are, of course, weight limits on hogs that enter into the production of bacon and ham. I do not think it would be wise to change the limits. As a matter fact, we are making an effort to get the hogs through the plants at the present weight limits, and we are hopeful that we shall be able to do that in due course.

Mr. CASTLEDEN: In the meantime the farmer is taking a loss.

CANADIAN NATIONAL RAILWAYS

LEASE OF PROPERTY TO ALPHONSE LEDOUX—ANSWER TO QUESTION ON MAY 4

On the orders of the day:

Mr. LIGUORI LACOMBE (Laval-Two Mountains (Translation): Mr. Speaker, I wish to direct a question to the Minister of Transport (Mr. Michaud). Recently I asked him the following questions as reported at 2594 of *Hansard* for May 4, 1944:

1. Have the Canadian National Railways leased to one Alphonse Ledoux a property in the Oka district, county of Two Mountains, province of Quebec?

2. If so, what is the amount of annual rent paid by Ledoux?

The hon. the minister answered as follows:

1. Yes.

2. This concerns a detail of railway administration which is not of public interest.

Will the minister tell me why that question is not of public interest?

BANK ACT AMENDMENT

CONDITIONS GOVERNING TEN-YEAR EXTENSION OF BANK CHARTERS

The house resumed from Tuesday, May 2, consideration of the motion of Mr. Ilsley for the second reading of bill No. 91, respecting banks and banking.

Hon. R. B. HANSON (York-Sunbury): Mr. Speaker, aside from the budget the bill now under discussion is the most important non-war measure to come before parliament at this session. In fact I would say that any bill relating to the decennial revision of the Bank Act is an important measure and therefore demands from the members of the house and from parliament the best consideration that we can give to it.

There has been banking legislation before parliament since the early days of confederation. The first general Bank Act after confederation was passed in 1871, and thereafter at regular intervals, not always adhered to rigidly, there has been a revision of the banking laws of this country. From the very earliest times, from 1871 down, very large powers have been granted to the chartered banks, and those powers were extended from time to time until, shall I say, the revision of 1923, when a change of policy took place. Because of a series of events more or less unrelated to present-day conditions, public opinion and the wisdom that comes from experience in operation then indicated that more limitations on the powers granted to the banks were necessary in the public interest, and that has been the trend of banking legislation from that time down. The most drastic of these limitations came in the revision of 1934. In that year the principle of a central bank and of central control of credit and currency was adopted by parliament. The revision and limitations then imposed were of a nature consequential upon and in a degree co-extensive with the establishment of the Bank of Canada.

Prior to the 1934 revision and the establishment of the Bank of Canada there had been set up in Canada a royal commission on the banking situation in this country known as the Macmillan commission. Hon. gentlemen are familiar with the findings of that commission, which were referred to briefly by the minister in his statement the other day. I commend to any intelligent student of our banking system a reading of the report of the Macmillan commission. I do not propose to repeat any of its findings now. Suffice it to say that the commission found, and I agree, that assuming that we are to continue the established capitalist system of commercial banking in Canada under private ownership, our banking system had served the country reasonably well. I concur in the minister's observation that during the rapid development of Canada the system has served Canada reasonably well. I do not imply, nor I suppose does the minister, that it is by any means perfect; nothing is perfect in this world of ours. But the system amply demonstrated its strength and stability in the hectic days of 1933. There was no bank holiday in Canada then; and there were two reasons for that. The first was the strength of our financial institutions themselves, and the second was the fact that in that time of financial stress and strain this nation had great leadership, leadership of strength and courage, the kind of courage necessary to meet emergencies. As a result the people's savings were held secure, and I may say that the achievement was a matter of pride to the people of Canada. Contrast that with the situation which was exhibited in the United States, of the actual suffering which took place as a result of the closing of so many of the smaller financial institutions. The banks themselves, I think, gave a reasonable degree of leadership at that time.

What I have to say about this bill to-day will be, I hope, of a constructive character. Whatever criticism I make, both of the subject matter and of the minister himself, is not motivated, I assure the house, by malice. I desire to approach the whole position in as judicial a spirit as I can summon. That does not mean that I shall not have some political allusions to make in the course of my remarks. I hope to be forgiven if I do that. But speaking generally, I trust the debate will be conducted in a judicial spirit, to the end that, when the bill finally passes this house, there will emerge a measure calculated to give the people of Canada a law tending to create a high standard of living, to preserve freedom of enterprise, conserve the people's savings, and redounding to the lasting benefit of the public, and especially the commercial life of the nation.

At the same time the banks, along with individual enterprise, supported by wise government policies and active assistance on the part of the government, must see to it that there shall be no return to the conditions which prevailed in 1933, so far as that is humanly possible. We all have responsibilities in that regard. I am satisfied that there is not an hon. member in this house, of any party, who seeks to shirk these responsibilities. The banks themselves have a large measure of responsibility in that regard, because they enjoy great advantages. The very statement of that fact brings with it the corollary of the proposition: because they enjoy great advantages there is upon them a large measure of responsibility for preventing depression in the future. The control of credit and currency is in the Bank of Canada, but the control of the practical application of credit itself is in the hands of the chartered banks, and it must be used wisely and in the national interest.

Having said that, may I now direct your attention to the bill itself and to the minister's statements. It is impossible, in the short space of time which I desire to take up this afternoon, to go into any degree of detail with respect to either. The bill is voluminous; I have not yet completed the first reading of it, and I doubt if many hon. members have. Before discussing it, however, I must say to the minister that his statement of Tuesday last was exactly what I feared it would be—not a factual, objective statement, but rather a passionate piece of propaganda calculated to stir up debate and invite reprisals. Then, there is the delay in introducing the measure. We are now on the eighth day of May, well into the fourth month of this session. This bill is of major importance, and I suggest to the minister, as I did the other day, that notwithstanding difficulties which of course I appreciate must have stood in the way, this bill should have been brought down long before. It ought to have been brought down, at latest, concurrently with the introduction of the bill to incorporate the industrial development bank.

May I now for a moment refer to the minister's statement of May 1 when he was moving for leave to introduce the bill. In that statement he indicated that the bill constitutes three important things: first, the basis of the decennial revision of the Bank Act; second, the extensions of the charters of the banks for another ten years or until July 1, 1954; third, generally speaking, it provides for such changes in the present act as the administration has decided are advisable, governing the operations of the banks, their powers, and the limitations of the controls to which they are subject. The statement of the minister and a subsequent statement indicated that the changes are numerous. That is correct. But I do not think they are very important. In principle there is nothing revolutionary about them; they do not establish any principles which are not already embodied in the legislation now on the statute book. I suggest that this is a better description—that they are an extension of existing policies and principles.

First, there is the change in the right to issue notes on the part of the chartered banks. That is not a new principle; it is a principle which was established in the act of 1934 and was consonant with the establishment of the Bank of Canada and the rights given to that central institution. Of course it is important in a limited sense, because it takes away from the banks one important function and a very valuable franchise. I may say in passing that there are not many provisions in this bill which impair the powers of the banks. I believe that hon. members, particularly a few who sit on the right of you, Mr. Speaker, will be disappointed, upon an examination of this bill, in the character of the changes. However, that is merely an expression of my personal opinion, and I have no doubt that they will be vocal enough when the proper time arrives to express their own views in that regard. The banks have been left pretty well alone so far as shearing them of important powers is concerned. The function of the note issue was given to the commercial banks of Canada a long time ago. It served a useful purpose, and since it was not transferred to the state until 1934, it was an important function in the commercial and business operations of the country. Of course I agree, as we all do, that it was a profitable function to the banks, upon which the various governments from time to time in the past have imposed taxation and received for the public revenues a substantial increment.

I know of only one argument against completely taking away from the chartered banks the right of the issuing of notes, and it is this. Because the function has been profitable in the past, it has greatly assisted, in my view at all events, for what it is worth, the establishment of a chain of branch banks which covers the country from east to west; I doubt very much if many of the branches which were established in rural communities in days gone by, and which served the public, well or ill, according to one's opinion and experience, would ever have been established had it not been for the fact that the banks enjoyed this profitable franchise. Well, it has been taken away in large measure, and while

it is not the only cause for the closing of many small branch banks, I do suggest to the minister and the house that it has been a substantial contributing factor to the closing of branches.

My understanding of the position is that in order to make a branch bank pay it is necessary that it receive substantial deposits, and on those funds, employed in the branch or elsewhere as the case may be, mostly elsewhere I think, the banks, together with the franchise of note issue, have been able to maintain these branches. But since 1934 we have seen a change, which in part at least, I suggest, has been brought about by the restriction imposed upon the banks in connection with the note issue. Take my own community, for instance. In 1934 we had four branches, one for each of the big banks, in the city of Fredericton, and we had in the rural communities eight or ten, I think ten, branch banks in the two counties of York and Sunbury. To-day there are only six.

Mr. MacNICOL: Altogether?

Mr. HANSON (York-Sunbury): Six branch banks outside the city of Fredericton in the two counties, and it cannot be said that the people are overserviced with banking accommodation in that community. I do not say they are underserviced, but the closing of four, perhaps only two, in that period of time has not been of advantage at least to these particular communities, but rather the reverse. And so, with that principle, there comes some reaction. I think this position could be illustrated in almost every constituency in Canada from east to west. Right in the minister's own constituency there was closed not so long ago a branch bank in the little town of Middleton, which has had a bank for some considerable time.

So that these things happen, and although I am not dogmatic about the cause, it seems to me that the taking away of the right to issue notes has had a substantial effect upon the service to the community by the banks. That may not be correct, but that is my belief at all events.

The second important principle to which the minister alluded—I may not have them in their right order—is the provision of making the Bank of Canada the exclusive agency for the redemption of notes, both of defunct banks and, by 1950, of existing banks. I suggest that is not revolutionary by any means. It is merely a change in existing machinery to perform a function that has been performed hitherto by provisions under the Bank Act. And I do not see any harm in it. I think it is a useful provision for centralizing in the Bank of Canada this function, which may or may not be important. But it is a natural evolution following the establishment of the Bank of Canada by a Conservative government in 1935, and, I suggest, one of that government's greatest accomplishments was the establishment of the Bank of Canada.

Then there is a third suggestion or provision which may stir up some controversy, and that is the transfer of unclaimed balances, and liability to pay them, to the Bank of Canada after ten years. This is not a new thought by any means. Those who were present at the bank revision of 1934 will recall that Mr. Irvine, then member for Westaskiwin, had a resolution before the banking and commerce committee—an amendment, I believe it was; I have not been able to look up the citation—calling upon the powers that be to declare that seventy-five per cent of these unclaimed balances should be transferred to the crown in the right of the dominion. The Minister of Finance of that day, Mr. Rhodes, rejected the suggestion. I have here a reference to it in the *Canadian Bar Review*, Volume 21, No. 7, page 546, of August and September, 1943. In an article entitled "Some Legal Problems on Banking," the author of which is Mr. Arthur W. Rogers, K.C., who is to-day the secretary of the Canadian Bankers' Association, a man very well versed, I should judge, in banking problems and the legal problems of banking, he has the following to say in reference to that suggestion:

> On the occasion of the last revision of the Bank Act one of the members of the banking and commerce committee suggested that provision should be made to vest these unclaimed balances in the crown in the right of the dominion. The Minister of Finance, however, stated that such a step would be unconstitutional on the ground that the provinces were entitled under section 109 of the British North America Act to such of these unclaimed balances as were really ownerless and therefore bona vacantia—

That is what is known in Quebec, I believe, as vacant property; is that right?

> —coming within the meaning of the term "royalties" in the above section.

I looked up section 109 of the British North America Act and I really do not think it could be justified on that ground. But I suggest to the minister that it is a violation of provincial rights, that it is a violation of the British North America Act, section 92, which provides that property and civil rights function only within the jurisdiction of the provinces; and I suggest to the house and the country that the proposal savours of confiscation on the part of the crown in the right of

the dominion. I believe there is good authority for that suggestion. I hold the view that this provision is unconstitutional; the matter is at present the subject of litigation. The matter is *sub judice*.

I want to return to that aspect of the matter in a moment, but to me this looks like the legal violation of a contract on the part of this parliament; and just why the move is made is not quite clear to me. This is either in one jurisdiction or the other. I am informed that during recent years a suit was taken by the provincial authorities of Quebec against the Bank of Montreal, I believe as a test case; the Minister of Justice (Mr. St. Laurent) will know much more about this than I do. If I am correctly informed, and I must confess that I have not been able to get hold of the report of the court of appeal, the superior court declared that these unclaimed balances were vacant property within the meaning of the laws of that province, and the court of appeal sustained that decision, which in effect, I suggest, is an affirmation of provincial rights under the constitution, in relation to property and civil rights. I believe my hon. friend the Minister of Justice has intervened in that litigation, which is on its way to the privy council, where there will be a contest over the constitutional issue raised. The matter is sub judice, and I suggest that such legislation as this should not be introduced until the matter is finally decided by the highest judicial authority. Then I believe, though I have not been able to get the report, that in a recent case in Manitoba involving somewhat the same principle, or so I am informed, the provincial courts have upheld the right of the crown in the right of the province with respect to certain matters of property and civil rights—I am not sure just what the rights were, because I have not read the report—and that the decision was appealed to the Supreme Court of Canada, which reaffirmed it. A friend of mine communicated with the clerk of the Supreme Court of Canada, but I understand the report has not yet been printed, so that I do not speak dogmatically as to what that court actually found.

I ask the minister this question. On the basis of the theory or principle of "pith and substance"—which must have a familiar ring to some hon. members of this house who have read the privy council decisions on the litigation relating to the so-called new deal—this is not banking and commerce at all; it is property and civil rights and, as such, this is an attempt on the part of the federal authority to change something which in my view, at all events, for whatever it may be worth, should be left as it is. Those of us who are lawyers know the law of the land in connection with what they term vacant property. I believe that is dealt with in the province of Quebec under a special act, and in the other provinces under the common law. When a man dies intestate, without issue, heirs at law or next of kin, the crown in the right of the province takes the property I remember in my very young days as counsel being startled when I heard of the case of a man in my own practice who was in that position. Unfortunately he did not make a will; he had no next of kin, and the crown walked in and took over several thousand dollars in bank deposits. That was the law of New Brunswick, as I believe it is in all the common law provinces. These unclaimed balances are vacant property. They are property; they are there by virtue of a contract between the bank and an individual or corporation, as the case may be. Under what principle should the federal authority step in and claim those unpaid balances?

Mr. McGEER: Piracy.

Mr. HANSON (York-Sunbury): Well, I call it confiscation; that is not quite so strong a term. I suggest to the minister that this legislation is premature, at all events, until the decision of the privy council has been handed down. That will decide the issue, and his legislation may be good; but he would look pretty silly if the privy council should decide against him. I think he is taking a long chance. I know the minister has an inflexible mind; he always thinks he is right and that no one else is ever right.

Mr. ILSLEY: No, but I have a good answer.

Mr. HANSON (York-Sunbury): Well, perhaps you have, but the answer will not be given by my hon. friend but by the privy council. It is fortunate in these days of regulations and controls that we still have access to the courts.

Mr. DIEFENBAKER: Have we?

Mr. HANSON (York-Sunbury): That is a point; the hon. member for Lake Centre asks, "Have we?" Even that has been taken away from the citizenship of this country, in some measure at least, of course with the approval of my hon. friend the Minister of Finance.

Now I pass from that to the proposed amendment to section 91, reducing the maximum rate of interest and discount to six per cent. That is an old friend. I recall that substantial efforts were made to have this done in 1934, and I shall be perfectly honest

and say that perhaps it should have been done at that time. It is proposed also to limit the rate on instalment loans to five per cent. I doubt very much if instalment loans can be operated on a five per cent basis, but that is not my funeral, and if they cannot, it will not be my loss. The banks will be able to speak for themselves. But in this connection I should like to refer the house to the minister's statement at page 2555 of *Hansard*. I never before thought the minister was so egotistical; I do not know how many times he used the pronoun "I". It was reminiscent of the days of an old Nova Scotia statesman.

Mr. MACKENZIE (Vancouver Centre): Bennett.

Mr. HANSON (York-Sunbury): No, older than he. I hope I may not be guilty of the same thing.

Mr. ABBOTT: This is not a case of the pot calling the kettle black, is it?

Mr. HANSON (York-Sunbury): I do not think so. I think the parliamentary assistant had better keep his seat, because if I understand the situation correctly he was responsible for a tactical error made by the minister on Tuesday last, when he made a vicious attack on my hon. friends to my left, I suppose in the hope that he would curry a little favour with St. James street. Well, let me tell him that was a vain hope, because he is sitting in this house for the last time. That ought to hold him for a while.

Mr. ABBOTT: I am completely cowed.

Mr. HANSON (York-Sunbury): Well, I suggest that the parliamentary assistant should not interrupt me when I am trying to make a reasoned argument; that is all.

An hon. MEMBER: Oh.

Mr. HANSON (York-Sunbury): Who said that? Some other man who has not an idea in the world, I suppose.

Mr. MACDONALD (Kingston City): There is no greater interrupter in the house than my hon. friend.

Mr. HANSON (York-Sunbury): I direct the minister's attention to page 2555 of *Hansard*, the first column, where he is reported to have said:

> I would like the benefit of very special consideration by the banking and commerce committee and this house. In my desire to keep maximum charges low I may easily have gone too far and I would like the committee to hear evidence from the banks as to whether it is really possible to do this type of business under the terms which I am here suggesting.

I pause here to say that before the minister put this provision in the statute the policy should have been thoroughly examined. That language does not indicate it. Then he goes on to say:

> Furthermore, while in the interests of simplicity and for the purpose of avoiding an odd or fractional rate of interest, I have expressed the ceiling in terms of a five per cent discount, it may be that the committee may prefer to express the ceiling in terms of a maximum rate of interest per month or per year. I shall be prepared to welcome the guidance of the committee in this respect also.

That is the first time I ever heard the minister asking for an honest-to-God suggestion from anybody in the house, because his mind is so inflexible that he never accepts a suggestion.

I do say that a start was made in this direction in 1934, and it is the natural result and evolution of the easy money policy that was established in 1934, when we got the banks either voluntarily or involuntarily to reduce the rate of interest on savings deposits, which was a *sine qua non* to the policy of easy money and the downward revision of bank rates and bank discounts in Canada. A very good start was made then, which might have possibly gone further at that time.

Then, the minister has referred to the provisions of section 88, which, to every lawyer in the house, is of course an old friend. He says that the amendments are designed to make it possible for additional types of borrowers to obtain bank credit under this section, and to provide what is said to be a simplification of the procedure now necessary to take security for loans under this section. Well, that is merely an extension of an already existing principle—and a great privilege to the banks; make no mistake about that. In no other jurisdiction in the world that I know of is there anything comparable to section 88. How long it will live I know not. I am not asking for its repeal to-day, because I know is is a valuable adjunct to our financial machinery. But it is not a new principle. The changes are designed to clarify the position, and perhaps to make it simpler. That ought to be welcomed by everybody. On the whole, while it is a special privilege—and have no doubt about that—let us admit that it has served a useful purpose.

But in days gone by these liens were secret. They were statutory liens created and authorized by the Bank Act. They were secret liens, and in principle that was bad and unjust to many parts of the commercial communtiy. It gave the banks preferred positions over ordinary creditors, and often, being secret and taken without notice, caused hardship and loss

to the commercial public. I know something about that. I have been through this mill in days gone by. Let me illustrate. Up to 1923 the banks could take a lien as security for a loan on standing timber on freehold land, and nobody knew anything about it. They had a preferred first, secret mortgage, by the execution of section 88 hypothecation forms. No doubt that was a great advantage to the banks, because it placed them in a preferred position, and it may have been of some immediate advantage to the borrower. But once it was known it absolutely destroyed the credit of the borrower with all the rest of the commercial community It was inequitable, unjust and an abomination to the business community. It was the supplier of materials who usually got pinched. Standing timber might have been growing on granted land, a man might be operating that granted land, and might go to the bank and get an advance under a lien. At the same time he might buy from me, a wholesale grocer, his goods and supplies. As a result the grocer, the man who supplied food to feed the men, would wake up one day and find that there was a lien ahead of him. That is not a pleasant situation, but it has actually happened.

In 1923 I had the privilege of bringing this position before the banking committee. I must say I got a great deal of support from the then Minister of Finance, Mr. Fielding, and there was very little opposition from the banks, the position having been stated to them clearly. I succeeded in having a reform made. It was not all I could have wished, but at least there was some amelioration of what I considered a difficult and unjust situation. What was done then was that a form of notice had to be given—inadequate, I think, but still a form of notice. I ask the minister if the government has considered, in revising the Bank Act, whether any further action should be taken in connection with this matter of secret liens, because, *per se,* secret liens should not be tolerated in the commercial world. As I recall the act of 1923, and the slight amendment in 1934, notice of intention to borrow has to be given. But the notice in respect of granted lands—and in law it is described as a constructive notice, not an actual notice—does not have to be registered in a registry office, where the ordinary business man would naturally expect to find it.

Has consideration been given to strengthening that principle of constructive notice? I have no further observations to make on that point. When we come to the sections themselves in the banking committee, and after I have had an opportunity to study them, I may be able to evolve some further suggestions in respect of reform in that regard. At that time I may ask that such changes be given consideration.

Then we are informed that sections 88 and 89 are to be amended, on the theory that more credit will be extended to farmers and fishermen. This is known as intermediate credit. I hope that the thought behind this gesture will mature into action. But I believe I may be pardoned if I express some degree of scepticism as to the results which would flow from these new proposed revisions. I do not see any long line of farmers and fishermen leaving the offices of the chartered banks with their pockets filled with money borrowed from those banks on a ten per cent guarantee. I should like to add that I do not think there will be any easy loans on that basis. However, I desire to make this observation, that a charitable and judicial view to take is to await clarification of the whole position before the committee. I do not condemn it at all; I am open to conviction, and I hope it will be successful—but I am just not at all sure about it. We would all like to see more credit extended to farmers and fishermen in times of stress. That has not been their position in the past. The position of farmers and fishermen in the maritimes has not been a very happy one. I happen to have been born among them on the bay of Fundy. I know that they have had periods of great prosperity, but they have also had periods of dire distress. I think that is true of any fishing community on the Atlantic coast. In my view these proposals might be strengthened. However, let us see what we shall see in the committee.

It seems to take a war to bring us to a realization of the plight of these two classes of our citizenship. To-day the position is reversed; there is no doubt about that. To-day the fisherman is getting a worth-while return, especially the man in the fresh fish trade in the maritime provinces. I am glad he is getting it. In a measure the same is true of the farmers of this country. At last they are getting something approaching parity in connection with their production. They are carrying on that production under the most adverse conditions. All praise to the farmers of Canada, who after all are the backbone of this country. I have always believed that. Their position to-day is due to the war and the war alone. We must see to it that they are not allowed to lapse into a position after the war which would be in any degree comparable with what they went through during the dark days of the depression. My view is that to-day the farmer does not want credit

so much as he wants to be left alone to work out his own salvation. That is what my farmers tell me. They want to be free from regimentation and controls. Above everything else the farmer is an individualist, although he is beginning to learn the value of cooperation in certain of his activities. But on the whole I think it is axiomatic that he desires to manage his own affairs and plan his own economy.

I was greatly struck the other day with an item in the Ottawa *Journal* which had been quoted from the Hamilton *Spectator*. It contained the utterances of a farmer of the province of Quebec. I am sorry I have lost it, but he gave expression to views somewhat like these. He said: I do not want to be told what I shall plant or sow, where I shall plant or sow and when I shall sell it; I want to be allowed to manage my own farm. I do not want subsidies or bonuses, but I do want a fair price for my products. Above all—I think this is in the mind of every farmer—I do not want some white-collared young man sitting behind a mahogany desk in Ottawa, a man who never worked on a farm or who perhaps never saw a farm, telling me how I shall reap and sow, how I shall manage my farm and what I shall do with it.

That is the attitude to-day of the farmer of Canada. He resents a little group of white collared men in Ottawa sitting down with blue-prints and statistics and figures before them and telling him what he shall or shall not do. Those people do not know anything about his problems except what they can glean from statistics and charts and blueprints and figures.

Mr. GLADSTONE: The farmer wants markets and wider markets.

Mr. HANSON (York-Sunbury): I agree with that; he wants to know where he is going to get them after the war. Shall he be able to find them in an improverished Europe which cannot even feed itself? He certainly wants outlets for his products because he has demonstrated that he can produce. I agree most heartily with that expression of opinion of the farmer in the province of Quebec, notwithstanding the fact that I personally recognize that some controls are necessary. But we should not have the huge system of controls and regimentation which has had such a mushroom growth in Canada during the immediate past years—founded not so much on reason as on expediency or on a hit-or-miss or trial and error system.

I now desire to turn briefly to the long and laborious statement which the minister read into the record on Tuesday last—and which he read very badly, may I say, or so it seemed to me. I cannot characterize that statement as a speech, because it was not a speech. To my mind it was an essay prepared by the group of economists and brain-trusters who surround the minister. I listened to it carefully and thoughtfully, and I later read it in *Hansard,* but I had a feeling of amazement—of course not at the whole speech.

I have listened to two ministers of finance introduce bills relating to the decennial revision of the Bank Act. I recall the judicial and unprejudiced speech of Mr. Fielding in 1923, and I recall the speech of Mr. Rhodes in 1934, which was characterized by dignity and fairness. As I recall them, both were models for such an occasion, and I recommend a rereading of those speches to the Minister of Finance and the membership of this house. Then hon. members can contrast those two judicial utterances with the platitudes uttered by my hon. friend on Tuesday last. On the one hand you have fair, impartial, judicial and dignified utterances, and on the other you have an almost passionate defence of the banks and the Canadian banking system by our present minister in this year of our Lord, nineteen hundred and forty-four.

My immediate reaction was that the bankers upon reflection will say: Deliver us from our self-constituted defender. My hon. friend is a king's counsel; he is a member of parliament; he is a privy councillor, and I now suggest that he add to his name some more initials, F.D., *fidei defensor,* defender of the faith. Hon. members will remember that our old friend, Henry VIII, had a medal struck in his honour with those words on it.

For some reason best known to themselves, my hon. friend and his advisers went a long step out of their way to defend the banks and the banking system of Canada before they were under attack. Let me say to him that he wet his powder before the battle was even on. Portions of that speech were almost provocative and in my view were better left unsaid at this stage. They are bound, and it would appear to me that they were calculated, to bring reprisals from the two groups to my left. The minister expressed anxiety to get this bill to the committee with the least possible delay, but I suggest to him that his ill-timed observations will have just the opposite effect and will call for and produce a long debate in this chamber. Contrast that with what took place in 1934. The present Minister of National Defence (Mr. Ralston) was financial critic of the opposition in those days and as I recall it he made a speech just fifteen minutes long, in which he did not challenge the principle of the bill, but reserved the right to question many of its proposals.

Personally I have a high opinion of our commercial banking institutions, but I do not imagine anyone will assert that they are immaculate or wholly free from fault and abuse. The bankers themselves, I am sure, will hardly lay claim to all the things that were said about them by my hon. friend. After all, the affairs of our commercial banks are being run by human beings. To err is human, and these gentlemen are neither perfect nor omniscient. They will admit that.

My memory of the political life of this country goes back for nearly fifty years. I recall as a boy in the year 1896 standing on the lawn of the courthouse at St. Andrews, New Brunswick, and listening to a political debate on nomination day and an indictment delivered against the Conservative party of that day by an ancient member of the Liberal party who a long time ago went to his heavenly reward. He was a friend of my family, the Hon. Arthur Hill Gillmor, whose name is still held in respect. The gravamen of his charge was that the Conservative party were the tools and servants of the big interests of Canada. How many times have we heard that from every platform in this country, on the hustings and in the party press of the Liberal party! It is a charge that has been always levelled against the Conservative party.

Mr. NOSEWORTHY: And now you are being supplanted.

Mr. HANSON (York-Sunbury): We have never been supplanted, because we never were the tools of the big interests of this country—I can tell you that. But all down through the years I have heard that charge iterated and reiterated by our political opponents. As I sat and listened to the Minister of Finance on Tuesday last I asked myself this question, and I ask this question of the house and of the country: Who are to-day the self-constituted champions of the big interests in Canada? The Minister of Finance and his followers; and he is just following out the line of his illustrious predecessors. I well remember when the Hon. Charles Dunning came down here from Saskatchewan, the Napoleon from the west, the gentleman who was to take charge of things and become the heir apparent of the present Prime Minister (Mr. Mackenzie King). He was a vigorous personality—make no mistake about that—and a very able man; but where is he to-day? He has ingratiated himself into the seats of the mighty. To-day he is the president of the Ogilvie Milling company, a director of the Canadian Pacific Railway company, a director of the bank of Montreal, and God knows what he is not a director of. Where are the principles that he brought with him down from Saskatchewan in the early nineteen-twenties? I look across the floor and I see my good friend the Minister of National Defence. He, too, in the days that are gone by has smelt the fleshpots of Egypt—that is all he did, I think, just smell them. He went to Montreal under the aegis of his friend Mr. Dunning, but it was not very long before we found him in the employ of the federal government. I want to say this to the minister, that from the thousands of dollars that he put into his jeans as a result of his efforts on the wheat report, very little eventuated to the people of Canada. I am going to forgive him all that, because when duty and his leader called him he came back to give national service to the people of Canada. You may not approve everything he has done, but there is no doubt in my mind that he is a much poorer man to-day than he would have been had he stayed in Montreal. I am just wondering if the hon. Minister of Finance has it in his mind, after that gush that he dished out to us the other day, that he too, with the reputation he is seeking to establish, will some day ingratiate himself into the hearts and the pocket books of the so-called big interests.

Mr. ILSLEY: I had not thought of it.

Mr. HANSON (York-Sunbury): Then it is a new thought for the minister. I know he has an inflexible mind, but he may be receptive to that idea.

We of the Progressive Conservative party believe in rational and orderly progress. I do not think that the Liberal party, represented by the Minister of Finance, should rush into the arena and passionately defend our financial institutions before they have been actually attacked. I think we should take a judicial attitude towards this question, to do justice, to do that which is in the national interest, rather than rush to the support of people who have not asked us to rush to their support. I cannot believe that the bank executives ever asked for the passionate recital of the virtues of the banking system that was given to us by the minister, or even contemplated such a position.

The banks of this country for seventy years or more have had a position tried by experience which has proven reasonably useful and as good at least as systems in other capitalistic countries, and better than is to be found in some countries. I do not for a minute agree that it is an ideal system. We should seek to attain the ideal.

An hon. MEMBER: Currying favour now.

Mr. HANSON (York-Sunbury): No, I am not currying favour. Who said that, anyway? I suggest to the young gentleman, whoever he is, that he just keep his peace while I am trying to make an argument.

Mr. GARDINER: He is not in the house at the moment.

Mr. HANSON (York-Sunbury): I do not pretend to be in the confidence of the banks. I believe they are quite capable of defending their own position if given the opportunity to do so, but I do say that it is our duty to see that they get that opportunity at the proper time and place, and that is in the banking and commerce committee. Why deliberately raise an issue over the banks in this house which may conceivably, probably will, in the days to come, become a political issue?

I recall with some degree of satisfaction the position in 1934, when I had the responsibility of presiding over the deliberations of the banking committee, when the act was last revised In those days there were the usual charges of monopoly and abuse and all the other charges that were heaped upon the banks. Some of those charges were made in the house, but chiefly before the committee. The case against the banks at that time, if it could be called a case, was made by the same opponents and the banks had full and free opportunity to make their defence. That is the place they should have allotted to them to make their defence, and they should be given that opportunity. I believe that 1934 was the first time in our history that they had a full and free opportunity to make their defence. They did so, and I think it was the universal opinion that they made a defence that was convincing at all events, and they came through with their colours flying.

That ought to be the position taken to-day. But by reason of the ineptitude of the minister and his advisers, the banks to-day are put on the defensive in this house without having anybody to speak for them, except possibly by proxy. The minister's defence and his championship of the banks was ill-timed and uncalled for, and will undoubtedly have repercussions which he has not foreseen. I could page the hon. member for Vancouver-Burrard (Mr. McGeer) at this point, but he will speak for himself.

I desire to refer for a moment to one of the questions to which the minister referred, namely, the proposal put forward by our socialist friends to nationalize the banks and other financial institutions.

I desire to express my views as a proponent of the principle of free enterprise. I do not think that the policy of our socialist friends is either sound or wise. I prefer the present system, controlled and guided as experience and the wisdom that comes from experience will dictate. I believe that the proposals of the socialists carry with them the most sinister threat to individual freedom and liberty, and therefore to the privilege of democratic living in a free country. Why do I say that? For the reason that commercial banking in Canada permeates every section of business activity and affects practically every form of economic endeavour. Government control of loans—that is what it would come to, and we may expect that if the socialists gain their way—could be used as a weapon of political patronage by a political party to enforce compliance with its doctrines. Does anybody challenge that position? If my premise is correct, such political control over loans would deny to many the privilege of exercising their franchise from conviction. If a man is threatened with the loss of his loan, dare he vote otherwise than as the lender suggests? In my humble view it would be to all intents and purposes a system of coercion. Let us be frank. We all know political conditions in Canada. We have political patronage even in war time. Does anyone believe that the socialists would not use that weapon if they were once in a position to do so? I do not believe anyone thinks that they would not. Does anyone imagine that if the banks of this country were brought under government ownership they would be administered free of political control, in the best interests of the business community and the nation as a whole? To contend otherwise, Mr. Speaker, is to be intellectually dishonest, especially in the light of present conditions.

I know our friends assume a very lofty, holier-than-thou-attitude. I have seen it on many occasions; it has been exhibited towards myself. But I suggest that they are not free from guile or political strategy. Often their strategy misfires; I admit that on their behalf. But evidences multiply that they are very worldly-wise. They seek to employ and do employ many of the methods used by the rest of us in the old political parties whom they deride and seek to hold up to scorn. But their holier-than-thou attitude deceives no one but themselves. It is as hypocritical as Uriah Heep or any other charlatan of history or fiction that one may summon to memory.

Business often depends upon bank loans for the financing of its operations. It is quite evident, to myself at all events, that the threat of withholding loans at a crucial time could be used to coerce borrowers into falling in line with the views, political or other, of the controllers of the banks. That has been the position in Germany; it has even been true

in Russia, where there is only one political party. In these countries, and in this country if the socialists have their way, you will support the dominant political party, or else! Make no mistake about that. Is that democracy? Is that the freedom for which we are fighting and giving our treasure, for which our sons, perhaps, are dying?

I cannot pause to follow this thought further. The battle will probably have to be fought in Canada, but not to-day. Personally I have no fear of the result. There were as of October 1, 1943, 4,462,100 separate saving bank depositors, and $2,000 millions of notice deposits. I do not think that the people of Canada who are represented in that huge accumulation are going to vote for revolution. I have great faith in our people. I do not believe they will do anything to impair their position; they are too much satisfied with the security they have to-day to intrigue with things they know not of.

I do not desire to take very much more time, but I want to deal a little more with the minister's statement. I suggest that the historical part of the narrative he read may be found in any textbook on banking. I have no doubt that the various ghost writers—whoever they were, and I think I could name some of them—made full use of the well-authenticated material dished up to us by the minister on Tuesday last, and which is available to anybody who knows where to look for it. Go to any of the editions of Maclaren on Banks and Banking, and you will find it. The whole symposium had a reminiscent sound, at any rate to my mind, and it is over forty years since I first read that textbook. In any event there was nothing new in what he said about the banking history of Canada. He failed, and markedly, to give any credit for the advances which were made in this respect in this house in 1934.

The statement naturally divided itself into four or five main divisions: (1) the historical review (2) the defence of our present system (3) the attacks on the socialist position and the Social Credit theories (4) an analysis of the proposed changes—which after all are by no means radical or revolutionary and are really not of great or major importance.

The banks have lost nothing in this revision; make no mistake about that. It is fair to characterize all these proposed changes as extensions of present principles and policy. The banks have lost no major powers, save the two points to which I have already alluded, namely, the note issue—which they were going to lose anyway—and the switching of the unclaimed balances.

[Mr. R. B. Hanson.]

The minister's statement must have been disappointing to some of his friends across the way who hold advanced views on this subject. I mentioned a moment ago the hon. member for Vancouver-Burrard. I cannot but think that he will be greatly disappointed with the minister's statement. I will not pause here to anticipate his feelings or the language he will use. Rather I await with interest the expression of his views. I think we all do, including the minister.

This bill is a far cry from the views on monetary reform advocated so unctuously by the present Prime Minister in the election campaign of 1935. I have no doubt that hon. members from western Canada remember the views expressed by the Prime Minister at that time.

Mr. BLACKMORE: Noble hero!

Mr. HANSON (York-Sunbury): How short the memories of some people are! How short the memory of the Prime Minister is! Then we were to have real monetary reform, dressed up to suit the people of western Canada—and if my memory serves me aright, he was aided by the present hon. member for Vancouver-Burrard. Yes; we were to have real monetary reform—whatever that connotes. It did not connote much in the mind of the Prime Minister, for what did we witness. It helped win the election. Once he came back from the west and was comfortably settled in the old quarters in the east block, he conveniently put his fervid promises into cold storage, and there they have remained ever since. There are many other observations I could make in regard to this bill, but I prefer to wait until the bill goes to the committee. I do not propose to offer any amendment at this time, but while we do not now propose an amendment, I do not want this house or the country to take the view that we are giving a blanket endorsation to all the provisions of the bill. Far from it. We think the bill can be improved by constructive suggestions in committee.

I expressed the hope that the minister's mind is not so inflexible that he will refuse to consider constructive proposals from whatever source they may emanate. This bill as presented will leave the fundamentals of our banking laws very much where we left them in 1934. No new or radical principles have been introduced. There has certainly been no revolution. On the contrary, this bill is in the main a reaffirmation of legislation of previous years, particularly that of 1934, refined and extended if you will, and improved as experience, changing conditions of commercial life, and the trend of events indicate as desirable.

Mr. M. J. COLDWELL (Rosetown-Biggar): I do not propose this afternoon to enter into a controversy with the hon. member for York-Sunbury (Mr. Hanson). I think his references to us will be dealt with by some other member of our group. I have not unlimited time, as the hon. member for York-Sunbury has, in replying to the statement made to the house by the minister, but I want to say to the minister at the outset of my remarks that his speech was both provocative and political. To that extent I agree with the hon. member for York-Sunbury. May I remind the minister of a piece of advice that was given a good many years ago by one great jurist to another, Sir Francis Bacon to Sir Edward Coke, when he said, "one should not so much labour what to speak as to find what to leave unspoken." That was a piece of advice the minister might have taken before this debate began, because I believe we were all ready to facilitate the sending of this bill to the banking and commerce committee. We did not anticipate the kind of debate which the minister introduced, but since he has seen fit to introduce a debate of this description into the house, and to open attack, as he did, we shall not let the statements the minister made go unchallenged.

Mr. JOHNSTON (Bow River): That is what he wants.

Mr. COLDWELL: I presume the statement the minister read in the house, as the hon. member for York-Sunbury said, was made in cooperation with persons whose principal effort seemed to be to defend the present financial system rather than to justify the minor changes proposed in the Bank Act. I shall therefore this afternoon devote my attention to the argument advanced by the minister, and I shall reserve constructive proposals in relation to the Bank Act and to financial policy until the bill is in the committee, where we can consider it and, when necessary, amend it clause by clause.

Even if we agreed that the present banking system is safe, sound, prudently managed, and all that the minister claimed it be in these respects, we would not be content with it. From the viewpoint of broad national interest, the banking system must be judged by its ability to provide a national economy with the financial arrangements needed to maintain the real income, capital equipment, and material welfare of the Canadian people. This it has not done in the past. Its failures are made apparent by the war, which has proved beyond all doubt that what is physically possible ought to be at the same time financially possible.

It is, then, on these fundamental grounds that we criticize our banking system. Our banks have not done the job which they were supposed to do and which provides them with the only justification for seeking renewals of their charters. For fifteen years at least, from 1929 until war-time necessity established full employment and a high national income, we suffered depression, unemployment and excessive loss and wastage of human labour. To some degree the blame for this situation lies with the banks themselves.

As the minister himself pointed out, they decided what credits were to be extended and to whom, and thus had the power to expand or contract the volume of purchasing power, or, in other words, to carry out a policy approved by the Bank of Canada, or, equally important, to nullify that policy.

In the heyday of the twenties they made loans to stockbrokers whose securities were sometimes so questionable that, when the crash came, government action was taken to prevent the undermining of public confidence in at least one of our great chartered banks. On March 21, 1933, the present Minister of National Defence for Air (Mr. Power) questioned an order in council, No. 2693, passed on October 27, 1931. This order in council enabled the chartered banks to publish incorrect statements as to the value of their securities, and in reply to that question Mr. Bennett said this:

> There was a run on one of the chartered banks in Canada. It was a run predicated entirely upon the failure of one of the great brokerage firms of this country. It was thought by many people that the bank might be a failure; ten million dollars in deposits were withdrawn. No assistance was given by other banks, and there was no question of the government being asked for assistance.

The bank to which this reference was made was of course the Royal Bank of Canada. It is also true that a similar order in council, No. 3871, was passed on December 31, 1931, to prevent the public from knowing the great loss in value of stocks in which a great insurance company had placed its policyholders' savings. Of this order in council the present Minister of Finance (Mr. Ilsley) said, on March 8, 1932, as reported at page 939 of *Hansard*—and I quote it from the record—that it:

> . . . enabled the life insurance companies of Canada to place a false valuation upon their investments, so that there would be no danger of two or three of our insurance companies being declared insolvent.

But apparently the minister himself had forgotten something. There was an interchange between us—and incidentally, my mem-

ory was not altogether correct either—and the minister, on January 31 of this year, overlooked this order in council enabling the banks to do what he had said the insurance companies were permitted to do. Hence we contend that a banking and financial system owned and controlled by the nation and supported by all the resources of Canada would give greater safety to the savings of the Canadian people than institutions whose self-perpetuating directors are responsible to none but their own shareholders, whose associations have sometimes in the past jeopardized the savings of the people, and whose policies on occasion have brought to the verge of ruin thousands of farmers, workers and business men. No man can foresee the future, but the causes which brought about the crash in 1929 are inherent in the present system, which, as long as it continues, may be subject to the same kind of disastrous fluctuations. Such a system cannot, in my opinion, be accurately described as completely safe, completely sound or completely prudent.

But criticism of our banking system rests also on other and perhaps broader grounds. We criticize it because its deficiencies are so closely associated with the failures of the system miscalled free enterprise; and we link with that, criticism of the present Liberal and past Conservative administrations for their failure to take steps from time to time to provide for economic expansion and employment until, as was admitted this afternoon at least by inference by the hon. member for York-Sunbury, they were forced to do so by the necessities of war. Neither in this bill for the renewal of the charters, with its minor amendments—which incidentally, we welcome—nor in other legislation proposed by the government or urged by the official opposition do we see anything sufficiently comprehensive to indicate that the conditions we knew in the thirties will not bedevil our people again sometime during the post-war years. Adequate expansion, nation-wide employment, require a planned use of our resources, our human power, our capital equipment and our financial instruments. In such a setting the nation's banks should accurately reflect the nation's demand for credits and for funds. Where private enterprise and governments both fail to use the financial resources available, the economic structure verges almost permanently on a state of entire collapse. A publicly owned central bank alone cannot prevent this, for the actual granting of credits—again as the hon. member for York-Sunbury indicated—rests with privately owned, profit-motivated institutions.

[Mr. Coldwell.]

It is on these grounds, then, that we call for the national ownership and control of the financial system, and particularly the banks; not, as the minister suggested, on some doctrinaire theory that their socialization will destroy the present system. We urge the nationalization of the chartered banks on exactly the same grounds as those advanced by the minister himself as the justification for the establishment of the central Bank of Canada. On May 2 of this year, at page 2542 of *Hansard*, the minister spoke of:

> . . . the failure of public policy to provide an institution charged with responsibility for regulating the volume of money and credit solely in the public interest. Such a function—

That is what I want to bring to your attention:

> —could only be performed by a public body interested not in the making of profits but solely in the performance of a public duty.

We say it is equally true that the day-to-day provision of credits for desirable public policies, such as the maintenance of full employment and of purchasing power, can be performed only by public institutions interested not in the making of profits but solely in the performance of a public duty. The case for socialization could rest there, for it could not be put much better than in the minister's own phraseology. Because of this I wish to move the following amendment:

> That all the words after the word "that" in the said motion be struck out and the following substituted therefor:
>
> "this bill be not now read a second time but that it be resolved that consideration be given to the national ownership and complete public control of the chartered banks with a view to the promotion of the peace, order and good government of the people of Canada."

That amendment expresses a desire and a policy in sharp contrast with the bill and the principle of the bill. It deals with no details of the bill, but suggests an alternative principle upon which our banking system should be organized.

The minister criticized the Cooperative Commonwealth Federation on other grounds. He denied that the banks exercised a monopoly because, he said, they competed for loans. But who will deny that the present Bank Act gives power to a comparatively small group of bank directors to control institutions which this very act safeguards against competition from private initiative, except under conditions so difficult to fulfil that no new bank has been given a charter for very many years? It is true that they may compete in the lending of money, but they pay the same rate of in-

terest on deposits; they charge the same rates of interest to the same classes of borrowers, and the same bankers' association lays down the general rules to which they all adhere. They even agree to prevent competition by closing competing branches in many parts of the country, and thus in many respects conduct themselves as though they were indeed one instead of ten. We do not argue, as the minister charged us with having argued, that because banks have directorates which are interlocked with certain business firms, they deliberately favour such firms or prevent possible competitors from getting funds. We do not say that; but, as a part of the system, they have driven some pretty hard bargains to get rid of publicly owned institutions which they dislike or fear. With the compliance of a federal Conservative government, of which the hon. member for York-Sunbury was a member at the time; with the weak acquiescence of a former provincial premier, Mr. Bracken, who now leads the Progressive Conservative party, and with the help of a carefully planned scare campaign, the Manitoba savings offices were closed in 1932. Nor do we, particularly those those of us from the western prairies, forget this: that, having given the western wheat pools certain advice in 1930, they drove such a bargain subsequently, that but for the guarantees given by the prairie governments this great co-operative venture might have been brought to ruin.

The attitude of the minister is surely inconsistent with respect to the social ownership of the banking system. He deplores the lack of representation on the boards of directors of the banks of the small business man, the farmer and the industrial worker. We deplore that, too; but instead of indulging in pious wishes, as the minister did and does, we propose something. We propose social ownership of these institutions, in order that just such people as the minister named, through their own chosen representatives, shall have some say in the vital financial and economic policies of this nation. That is what we mean by socialization—that those in control of financial policy shall not be merely the representatives of big business or the directors of powerful, privately owned, monopolistic institutions, some of which are parts of great international cartels.

The minister recognized the existence—he did not recognize the evil—of interlocking directorates among banks and other institutions when he said that no doubt they would be criticized on that account in this debate. When most of the savings of the people of Canada are channelled into the hands of the chartered banks and insurance companies, we certainly have an obligation here to appraise their influence upon our entire economy. Four banks—the Royal Bank of Canada, the Canadian Bank of Commerce, the Bank of Montreal and the Bank of Nova Scotia—control more than seventy per cent of all the bank assets in this country. Indeed four banks and six insurance companies—Canada Life, Sun Life, Great West Life, London Life, Manufacturers' Life and Mutual Life—control over seventy per cent of all the banking and insurance assets in Canada.

And who controls these banks and insurance companies, whose assets play such a vital role in the life of this country? The seventy-two directors of the six insurance companies hold a total of 356 directorates in dozens of corporations in all the principal fields of industry and commerce in Canada. Similarly, ninety-four officers of the three leading banks, namely the Royal Bank, the Bank of Montreal and the Bank of Commerce, hold a total of 799 directorates in 484 corporations in dozens of our major industries, including such giants as nickel, aluminum, cement, chemicals, steel, oil, railways, electrical concerns, packing plants, processing plants and a host of others. Consciously or unconsciously the policies of industry and of the chartered banks were governed by the same anti-social considerations in the highly speculative period of the late twenties and the depressed period of the thirties. Their policies, let me remind the minister, were not those of institutions actuated solely in the performance of a public duty but, as our own price spreads report stated, they tended to follow the same path of economic restriction.

And may I suggest to hon. members that from time to time we should look into the price spreads report, which was tabled in the house, because it gives one a clearer view of the economy of the country as it was and, indeed, warns one that we are reaching still greater depths of control, and by comparatively few organizations, than obtained even when that report was prepared.

The report stated that their policies tended to follow the same path of restriction of output in order to maintain their prices and to maximize their profits. Thus, during the depression we had virtual starvation in this country in the midst of potential and, indeed, often actual plenty. But the minister pictured the nationalization of the banking system as involving, to use his own words—echoed this afternoon by the hon. member for York-Sunbury (Mr. Hanson):

> . . . the undesirability of having the credit of each of us and of every business throughout the country assessed by civil servants working under political control for a government banking monopoly, rather than by bank managers

interested not in the political or other views of the borrower but solely in his ability and trustworthiness as a debtor.

Those are the minister's words. Are we to understand from them that the nationally owned Bank of Canada is now run by persons working under political control? Does it guide its activities by the political or other views of the borrowers—in these cases the banks, which, as we have known from their statements published in the newspapers, have political views?

Mr. DOUGLAS (Weyburn): And from their broadcasts.

Mr. COLDWELL: And from their broadcasts, delivered almost daily, which, incidentally, are so ludicrous, because of the past record of the banks, that they bring a smile to the faces of people who listen to them.

Are we to understand from the minister that the proposed Industrial Development bank, the agricultural bank—if it is set up—the farm loan improvement bank, and the mortgage bank are to be run by the present government on some such discriminatory principles? And, incidentally, all these proposals in connection with the setting up of these various financial institutions and banks, publicly owned, are testimony of the failure of the private institutions to meet our current and expected needs.

In fairness to the minister I think he would be the first to deny that there is any political control in the Bank of Canada. He will be the first to deny that any political control is contemplated in the other organizations I have named. But his opinion regarding the desirability of wider public representation on directorates of the banks indicates that, despite what he has said, he feels that wider public control is possible, without discriminatory political control. And may I just say to him and to the house, that if I, too, did not believe that I would not be making this speech this afternoon.

Socialization of the banking system involves two main steps: First, control over the direction of credits and the investment of bank funds—and this is already occurring, in actual fact, as I shall show in a minute; for private enterprise has failed to provide outlets for the investment of bank funds. Consequently banks invest more and more in government loans and government securities.

Second, the directorates should be based on the principle of public representation, and not upon stock ownership. The minister has approved this principle. And when he approves it why does he consume the major portion of his address in attacking the C.C.F., because we propose the principle which he accepts? I can only conclude that as a member of a capitalist government his obligation is to defend the capitalists when they are under attack. But the minister says that he opposes any suggestion of socializing the banking system because, to use his own words:

We do not want a socialized banking system to deaden the initiative of our system of free enterprise.

First, I should like to quarrel with the statement that we have a system of free enterprise. How free is the ordinary man to enter the banking business and own a bank? How free is the ordinary man to turn out the things which are monopolised by a few large business corporations of this country? As for a centralized banking system deadening initiative and our system of free enterprise, what the minister fails to see is that our system of free enterprise is deadened by its own policy. Indeed to-day our chartered banks depend upon socialized business, national business. It is not private enterprise but public borrowing and investment which has kept them going ever since 1929. I can place figures before the house to show—I have the figures and will be glad to use them in the banking and commerce committee—that in 1930 the percentage of loans to the general public was 64 per cent of the total assets of Canadian banks. By 1939, before the war, they were only 34 per cent, having dropped to almost one-half. In 1943 they were slightly less than 25 per cent. I should like to have my figures checked. I have taken them from the Bank of Canada statement for 1943, and from the Bank of Canada statements for each year since 1936. Other figures will be found in the "Canada Year Book" of 1941 at page 816.

The decline of bank loans to the general public in those days resulted from the breakdown of private enterprise. On the other hand, the banks' investment in long term government securities increased from 15 per cent in 1930 to 50 per cent in 1940. It is ironic that the chartered banks have become dependent upon long term investment in government securities for the major part of their income to keep them going and to pay their profits to their shareholders. May I say to the minister that when he places the profits of the banks before the house he should give those profits on the basis of the paid-up capital of those banks, the investments that have been made by the owners in the banks, and not on the pyramiding of profits that they have taken from the people. According to the minister's way of estimating, their profits

will have been figured at least twice in the computation if we count those additional profits as capital and then estimate their profits on that capital which they have extracted from the public. To my mind the only proper way under the present system for a business institution to expand is to go to the public and get the money for that expansion. Otherwise, what you do is to concentrate the power of the growing institution in a few hands and never distribute the ownership of that institution across the country itself.

Even in their dealings with private enterprise the banks have demanded and received public support. Talk about private enterprise; talk about the risks they run; in 1932, for example, the government guaranteed loans of $60,000,000 to the Canadian Pacific Railway Company, and later on the government itself made interest-free and low interest loans to the same company. This was done either because the banks could not or would not undertake to do so or because the government of the day was more friendly to the Canadian Pacific Railway company than to some other business interests.

In any event, free enterprise was unable to cope with conditions of its own making, as it has been unable to cope with war necessities or, as we believe, with post-war reconstruction. Our main case, therefore, against a renewal of the charters of the private banks—and that is the principle of this bill, with a few minor amendments—rests primarily upon our belief that only a socialized financial system can make possible effective control of currency and credit in terms of public need. Only such control can secure a proper balance and a proper relationship between the prices paid by our citizens for the things they use or the labour they render and the commodities they purchase. In other words, it is the only way, in our opinion, to secure proper parity and balance in our economy.

Second, we urge our policy on the ground of greater efficiency and public economy. The history of this country, indeed of all the capitalist world since 1929, indicates that governments, not private enterprise, both in peace and in war, have had to carry the ball in relation to financing such relief and economic expansion as has taken place. Banks and private business in general have had to be subsidized in many ways in order to survive. During this war we have seen the government setting up new institutions and spending hundreds of millions of dollars to do a job for the nation which private enterprise would not undertake, in fact I will say could not undertake. We have seen other hundreds of millions of dollars written off in special and accelerated depreciations because private enterprise could not carry the load.

For the minister to say, as he did, that the C.C.F. alone among the democratic socialist parties in the world is urging socialization of banks and other financial institutions is quite incorrect. The British Labour party includes such a policy in its platform. True, the New Zealand government, the only Labour government except the more recently established one in Australia that has ever held power within the British commonwealth, has not socialized the so-called private banks in that country. But if you read their literature and talk to their people you will find that they have made up their minds to do so, at least when the war ends. But they are not finding the necessity that we find. Why? They have a much more complete control over their banking system than we have or than we contemplate by the Bank Act or by this amending bill. They have an efficient central bank, but in addition the government of New Zealand has majority representation on the board of directors of the largest of their so-called private banks, the Bank of New Zealand. The government of New Zealand appoints three of the five directors of that bank. They have done this for a good many years. They got the power to do this when the Bank of New Zealand came to the government because it was in such a bad state long before the Labour government took office. As I say, to-day the New Zealand government has a greater control over the financial system owing to its having not only an efficient central bank but also majority control of the greatest bank of that country, the Bank of New Zealand. So that the comparison made by the minister between our proposals and those of New Zealand obviously falls to the ground at that point.

There are many other phases of this question with which my colleagues will deal. As I said to the minister at the outset, our original intention, which I expressed to the Acting Prime Minister (Mr. Ralston) when this bill was about to be introduced, was to make one or two short speeches and to facilitate the sending of the bill to the committee in order that it might be dealt with there as quickly as possible. But, as has been pointed out by the hon. member for York-Sunbury, an attack on our whole position has been made in this house and, as I once said, we never consider ourselves to be on the defensive; we are on the offensive, and when an attack of that sort is made we shall act upon the offensive so far as our opponents are concerned. Consequently, any understanding that we had with

the Acting Prime Minister that we would confine our remarks to one or two speeches is definitely off and we intend to give as good at least as we expect to receive.

Mr. GRAYDON: Do you expect to be any better off by that?

Mr. COLDWELL: Yes, I do.

May I say in conclusion that we urge this policy because it is the right one. We urge it because we believe, in the memorable words of the Prime Minister (Mr. Mackenzie King), spoken, as the hon. member for York-Sunbury said this afternoon, in western Canada, in Edmonton, Alberta, of course immediately before an election:

> Once a nation parts with the control of its currency and credit, it matters not who makes the nation's laws. Usury once in control will wreck any nation. Until the control of the issue of currency and credit is restored to the government, and recognized as its most conspicuous and sacred responsibility, all talk of the sovereignty of parliament is idle and futile.

It is because we believe in the sovereignty of the people, that we urge the restoration to parliament of the control of the nation's currency and credit. We urge the government to do what the Prime Minister promised to do in 1935. Since we believe with the lawyers of the house that possession is nine points of the law—

An hon. MEMBER: You are in bad company with the lawyers.

Mr. COLDWELL: Well, we may be in bad company, but I say that we believe with them—not that we are with them. So that we contend that the only effective method of control is that of the public ownership of this nation's banking and financial system. Accordingly, Mr. Speaker, we have moved the amendment in the words which you have before you.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, there is another way than by the nationalization of the banks whereby effective control over currency and credit can be established. I propose to deal with that other way with some measure of care.

Before I proceed farther may I refer to the minister's provocative remarks—I will not call them attacks—on social credit. Probably he put his finger on the two essentials of the contentions that social crediters would make at the present time when he said that in the first place we would advocate debt-free money. From the time that this group came into the house right up to the present moment it has never ceased to urge that it is possible for a government to create money debt free, and to use that money in building up conditions which are conducive to the economic well-being of the land. This group has consistently urged, further, that the amount of such money which can be safely created depends directly upon the productive and consumptive capacity of the country which the government is governing at the time, and because it so depends on the productive and consumptive capacity, then the amount of money which is available to a government at any time depends upon something which may be governed, not by a dead thing like gold, not by an elusive thing like the amount of money which bankers are prepared to lend or individual men are prepared to borrow, but by a tangible thing which can be controlled and governed, namely, the production of the country, and the consumption of that production.

The minister, I think, meant to imply at one stage of his remarks that social crediters had in a way modified their stand since coming here. If in any degree it may appear that social crediters are not expounding the same doctrine which they did when they first came here it is because we ceased to stress the importance of debt-free money and the dangers of debt when the government and some of its menials all over the country began to whine and whimper that our contentions were impairing the effectiveness of the victory loans. That is the only reason.

Let us turn to the question of debt-free money. The all-important question that we need to ask ourselves is this: Is there a possibility of debt-free money? The minister spoke as though the only source of money in Canada to-day would be the Bank of Canada. What was the source of government money in 1933 and 1934 before the Bank of Canada was formed? We had in those days Dominion of Canada one dollar bills. That money was printed by a government agency, and to that agency it was unquestionably debt free. Granted, there was supposed to be gold behind it to guarantee its value. But in 1933, on April 10, by order in council, the gold redemption clause was rescinded or suspended. What then gave value to Dominion of Canada money after that date? The Dominion of Canada money did not lose its value. That money was debt free and was created and issued by the treasury board, or an agency for the treasury board, with the Dominion of Canada exercising its supreme and unchallengeable right to coin money and to determine the value thereof.

May I use two or three illustrations? For centuries the king minted the money; it was the king's money. Will anyone say that the

king owed anybody for the money after he minted himself? Could the king in England, or let us say in this dominion, ever have owed anybody for the money which was created in his name by his government? Never! The major error that was made in the financial history of this nation and of the British people was that of allowing somebody else to print the king's money and causing the king to borrow his own money.

Take as an illustration to-day the fifty-cent piece in Canada. That is debt-free money. It costs something for the silver, something for the workmanship, but when that money is stamped by the Royal Canadian Mint, does it not belong to the Royal Canadian Mint, to the government of Canada? Who will contend for a moment that it does not. Suppose the money were gold coin; would that not be debt-free money? If coins are debt-free money, are not bills debt-free money just as well? Actually this nation printed $26 millions of bills during the last war and spent them for government purposes and they were unquestionably debt-free. They were supposed to be backed by gold, it is true, but all demand for the gold backing was rendered abortive by the suspension of the gold redemption clause. I wonder if the minister can find an answer to that?

Now, suppose a credit and currency commission were established in Canada to act much as the treasury board did before the Bank of Canada was formed, and that commission created the new money in Canada just as the Bank of Canada now does; it would own that money. Then, if it saw fit to put the money into the Bank of Canada to be recorded there, so that an account could be made and rendered to parliament, and a check established so that the people would know whether or not the government were exercising this power with probity and integrity; if, I say, the money were put into the Bank of Canada, recorded there, and taken out, the process would be debt-free both ways.

Let not the minister try to deceive the people of Canada into thinking we cannot have debt-free money.

The argument will be used, as I frequently find it used, that any money is a debt by the issuing body to the person who owns the money. If I, for example, have a one dollar bill which was issued by the minister, the minister owes me one dollar because I hold a bill which was issued by him, just as, if he were the Bank of Canada, and I had the one dollar bill, the Bank of Canada would owe me the one dollar, and in that sense the money would be debt money; and when I came to ask that that money be redeemed, the Bank of Canada or the minister—whichever case we are using—would have to redeem the one dollar bill.

Let us consider this matter of redemption. Let us assume that the minister acting in his capacity as finance minister in Canada issues a one dollar bill. I get the one dollar bill, and I come to him asking him to redeem the one dollar bill for me; what will he say? "What do you want?" "Well," I say, "I want a dollar." "Well, you have one. What more do you want?" "All right," I say, "I want a one dollar bill." The minister says, "Very well"; he opens a drawer and brings out another bill. "Give me the one you have and I will give you this one. This is a nice clean one. If you want a dollar bill, there it is." Now the minister has redeemed the dollar financially, has he not? And every dollar bill issued by the Dominion of Canada agency can be so redeemed as the law now stands. It is impossible for anyone to obtain gold to-day in exchange for a dollar bill; consequently the only possible redemption of a dollar bill is another dollar bill.

Now suppose I say, "I am not satisfied with a dollar bill; I want a dollar of something else." The minister says, "What do you want? Coal? Or do you want sugar, or do you want oranges, or do you want a haircut, or a ride on a street-car?" If I say, "yes" to any one of these he says, "Hand me your dollar bill." He immediately turns the dollar bill over in payment for the particular commodity I want. I have the commodity; he has the dollar bill. The dollar bill is then redeemed in goods and services.

That simple process is an illustration of what can be done with debt-free money in a national way. Let this country learn that fact, and let the nations of this world learn that fact, for the whole success of the post-war world, the establishment of peace and amity among nations and freedom from want and fear, depend upon the simple fact of the use of debt-free money. If that fact is not understood we might as well prepare ourselves for another war, and start right now. That is a warning, and I want it sufficiently solemn.

The only thing which needs to deter the minister, acting for the Dominion of Canada, in redeeming the money which is issued, is this: are there enough goods in Canada; is there enough coal, or street-car rides, or theatre tickets, or whatever else people want, to redeem the dollar bill; that is, to buy with the dollar bill? I am using simple little childish illustrations. Some people need childish illustrations to get things into their heads. It is time these things were being

learned now by the members of the government. They have been taught long enough in this country, and we are suffering a terrible war because they were not learned by this government and several other governments similar to this one.

The important thing to remember is that the simple fact that the dominion has the power of legal tender, and the simple fact that there are plenty of goods being produced in Canada to supply a redemption for all the money which might be used, within reason, constitute the guarantee that the debt free money created can be redeemed.

Mr. GARDINER: What caused the wars before there was any money?

Mr. BLACKMORE: Well, we would have to know what war it was. Of course, if you are talking about the war in which Gustavus Adolphus was engaged you would say "religion?"

Mr. GARDINER: Wars came first.

Mr. BLACKMORE: I am not sure that they did. What men fought for in the days before there was money was goods, and fundamentally to-day what they are fighting for is goods and the means of producing goods. On another occasion when the time is opportune and I have plenty of time to answer the minister back and forth on the floor of the house he can ask all the questions he likes to ask about causes of war, and I think he will have to grant that he is answered, because I have given the matter a little thought, as the minister has.

I think we can safely leave the question of debt-free money. It is a possibility and a feasibility.

Now let us turn to the question of 100 per cent reserves. The reason why social crediters have come to advocate the 100 per cent reserve system is this, that every time they have advocated debt-free money the government has hidden behind the bogey of inflation. From the redoubtable Dunning down to the present minister they have all said, "If you have debt-free money you will have inflation; the banks will expand money." The only way to prevent the banks from expanding money, so long as you have the mentality prevailing in the dominion government to-day, is to bring in the 100 per cent reserve system. If the banks expand the money and cause inflation they must be checked by the introduction of the 100 per cent reserve, and if they do not like it they have the comfort of knowing that they brought it on themselves. Personally I believe there are other means of dealing with the situation than the 100 per cent reserve, but since the matter has been introduced let me discuss it.

The minister argued that if the dominion required the banks to carry 100 per cent reserve there would be a great deal of money in the hands of the banks which the banks would have to pay good money to take care of, to service and so forth, and they would not get any returns from it, with the result that there would be a levy, a great deal of cost to the banks, bank managers, bank clerks, and the people who deal with the banks, because prices would have to be greater, and all the rest of the sob story.

If that is granted, and suppose we do grant it for the sake of the argument, let me point out that if the banks are occasioned a loss by reason of the 100 per cent money arrangement it is perfectly possible for the Dominion of Canada to reimburse them their loss with debt-free money, and the only limit to the amount of the debt-free money the government can have is the goods and services producing and consuming power of Canada. That is all. The minister may not understand that. If he does not, it is time he did, because he is Minister of Finance in an extremely important time in the world's history and he ought to know these things.

It was hinted that social crediters may have changed their position. May I restate the social credit position. Always it has been this. There are three fundamentals of social credit. The first is the creation and issue of money to represent unconsumed surplus goods. That is not inflation, and that is a thing the minister needs to learn. His deputy and other men behind him in his department need to learn it.

The second principle of social credit is the use of that money first of all to bring about fair prices by compensation or subsidy or both, so that the economy of the country can be balanced, so that there can be what people have in mind in a vague sort of way when they speak of price parity. It is impossible at the present time, I fancy, to have real price parity in Canada without the use of the social credit technique of obtaining fair prices by compensated discounts and subsidies.

The third principle of social credit is the distribution of consumer purchasing power in whatever forms may be found best for the people as a whole.

We have advocated the dividend. We have not receded from the principle of the dividend—not by one syllable or a dot of an i. But it may be found that under certain circumstances it is better to distribute the dividend in other forms. The principle of distributing consumer purchasing power holds,

distributing that money in whatever amount may be found sufficient to balance consumption with production.

The fundamental idea of social credit is that when there is production in the country that production should be consumed. Production is brought about for consumption, and if consumption is not going forward at the rate that production is bringing goods into being, then the whole economy tends to fall out of alignment, tends to become bogged down, so to speak, and the situation must be remedied by injecting into the economy additional consumer purchasing power which will enable the people to consume the goods that are being produced, in order to balance production with consumption.

There has been some discussion regarding the exact technique that social credit would use. There are several different ways of doing most things in the world. There are a good many more ways than one of making an aeroplane; there are a good many more ways than one of doing almost anything; so that there is more than one technique of introducing social credit. Some people have advocated the use of the central bank, the Bank of Canada, and the creation of money by the Bank of Canada and the bringing it out as interest-free loans which need not be repaid. Others have favoured the idea of a credit or currency commission creating money and putting it into the Bank of Canada, having it registered there and recorded and taken account of, and bringing it out free of debt and spending it wherever it is necessary to spend it.

That is why there seems to be a slight difference in wording in the stand that certain social crediters take. I think probably I have dealt with that aspect of the question. May I now turn to the question of inflation.

On page 2543 of *Hansard* the minister seemed to imply that social crediters belong to the inflationary school. Let me assure him once and for all that social crediters know what inflation is just as well as he does and a little better maybe, and I tell him now on my responsibility that social crediters are not inflationists in any sense of the term. They simply maintain that when there are more goods in the country than the money in circulation is buying, then the government must increase the purchasing power in the country to equate production. That is not inflation. That does not cause a rise in prices; it simply equates consumption with production.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. BLACKMORE: Before the house took recess, Mr. Speaker, I had been discussing the remarks of the minister in regard to social credit. He stated that social crediters believed in debt-free money, and I endeavoured to show that debt-free money was entirely sound and feasible. He suggested that social crediters believed in the 100 per cent system of reserves and would advocate such, and I pointed out that probably they would do so because every time social crediters advocated debt-free money the government insisted that this would cause inflation, and that the 100 per cent system was simply a means of avoiding inflation. I had turned to the question of whether or not social crediters are inflationists, and had said that they were not. As my reason for saying that I had given this simple fact, that social crediters believe that where there exists a surplus of goods not being consumed the state is at liberty to create debt-free money to the extent necessary to consume that surplus, and that such creation will not cause inflation because it will not cause a rise in prices.

May I say again that social crediters are neither inflationists nor deflationists. One thing that is most surprising to any one informed on the matter is that the orthodox government spokesmen never talk about deflationists. Hon. gentlemen who sit on the government benches to-day are deflationists, every single one of them; and deflation is a more disastrous thing than inflation. During the depression in the United States deflation, I have read, destroyed two hundred billion dollars worth of wealth; that is what deflation does. Social crediters are neither inflationists nor deflationists; they believe that an economy can be so managed that booms and depressions can be avoided, and they propose so to manage it as to accomplish that end. Social crediters believe that the record of orthodox finance in the matter of prosperity and depressions is simply reprehensible and wholly inexcusable. In the course of his speech, at page 2541 of *Hansard*, the minister quoted from an analysis prepared by the National Bureau of Economic Research of New York, to the effect that from 1888 to 1924 Canada had 1·86 years of prosperity for each year of depression, and he seemed to think that was a very good record. That is an absolute abomination to think of in a country like this—only 1·86 years of prosperity to one year of depression! It is one of the most preposterous things the mind of man could conceive. Any system that cannot manage an economy like Canada's

any better than that certainly has discredited itself beyond any possibility of regaining the confidence of the people. The minister goes on to point out that in the United States during the same period only 1·79 years of prosperity had been enjoyed for each year of depression. By those figures the system in vogue in the United States and Canada must stand condemned in the mind of every reasonable man. Social credit maintains that it is not necessary to have a condition like this, that both booms and depressions can be avoided, and it proposes a method whereby that end may be achieved.

Then the minister went on to say, at page 2546 of *Hansard,* that the house would agree that when the changes proposed by the minister were introduced Canada would have a fairly well rounded, effective and satisfactory financial system. I am unable to turn to the exact words, but if my summary did not convey the minister's meaning he will correct me. I am going to ask two questions in this connection. What is the purpose of a financial system? Why do we have a financial and economic system in a country? There is only one answer. We have a financial system in Canada, or in any other country, first of all to bring about enough production, and second to have that production consumed. Any financial system which provides only for production and does not provide adequately for consumption is faulty and ineffective. The financial system of Canada is to be condemned right on this point. We have a banking system which provides for production, and the minister is devising other financial methods of bringing about more production. His industrial development bank bill and various other measures are all designed to increase production; but in all the measures proposed by the government this year one seeks in vain for a single measure designed to increase consumption, to increase markets within the country or to increase distribution. The fundamental flaw in the economic system all over the world is that it has not learned how to distribute the goods. Obviously, then, the government is simply going about the problem wrong end first.

Production requires that people be able to get the money with which to produce. Men have always borrowed in order to produce. We expect them to use the banking system in order to produce. They require security of the right kind to enable them to borrow money; they require interest rates such that they may manage them, and they require long term loans in order that they may carry on. All this is perhaps fairly well provided in the bank measures. Consumption requires that people be able to get the money with which to buy. For consumption it is all important that prices be right, that wages or fees be right, and that there be an adequate effective demand or market for goods. These are vital matters. The financial system must enable people to get money with which both to produce and to consume.

Where does the minister propose to get the money to put into the hands of the people to enable them to consume? That is the vital question for the minister to answer. That is the question the Dominion of Canada has a right to expect him to answer at this session of parliament. There is no hint of an answer. Where is the minister to get the money with which to provide fair prices for agricultural products and for manufactured products? If farmers cannot be assured in the post-war period of fair prices both for the things they sell and the things they buy they cannot carry on; and if farmers cannot carry on, the rest of Canada cannot carry on.

The minister has not shown us where the money is coming from to provide such prices. Where is he to get the money to give Canadians a fair return for the goods they produce? Where is he to get the money to put in the people's hands to enable them to consume? Where is he to get the money to enable them to buy the great output of Canadian post-war industry? He will reply that he will not need money for such purposes. Does he not realize that depressions are the result of a shortage of purchasing power, of underconsumption? In other words, the Dominion of Canada could have only 1·8 years of prosperity for every year of depression because it was not able, through its financial system, to get enough money into the hands of the people to enable them to buy the goods which industry was prepared to produce. That shortage of purchasing power is the fundamental evil; yet all the proposals of the minister are designed to increase production. Not a word is said about increasing consumption.

I maintain, Mr. Speaker, it is utterly impossible for the minister to carry on and do the things which he dreams of doing, to make this country have a stable and prosperous time after the war unless there is a fundamental change in the financial system.

I therefore beg to move a subamendment as follows:

That all the words after the word therefore be struck out and the following be substituted therefor: That the bill be not now read a second time, but, that this house is of the opinion that the government should bring down such measures as will take from the chartered

banks their power of creation of currency and credit, and restore those powers solely to parliament.

Mr. Speaker, the minister will urge that the banking system is not responsible for the depression. He said that on page 2541 of *Hansard,* in passages which I shall not take the trouble to read. I contend that the banking systems are solely responsible for depressions. I will not say the Canadian banking system alone is, but the Canadian system as one of the banking systems of the world undoubtedly was jointly responsible for the depression; because the depression was the result of a shortage of purchasing power, and purchasing power under the present system comes only out of banks. If there is a shortage of purchasing power the banks are unquestionably to blame.

All orthodox banks of the world have virtually the same ideas as Canadian banks have, and all of them are just as faulty as Canada's are. The minister lists the causes of depression, and among them he mentions two rather vague causes. One of those is unbalanced economy. I do not know what the minister means by "unbalanced economy." He speaks about resurgence of economic nationalism. I am going to point out to the minister that he has entirely omitted the main cause of this last depression, which was machines. They introduced plenty with a shortage of labour for men and greatly decreased amounts of wages going out into the hands of the people. As a result of the introduction of machines the shortage of purchasing power which has been existent in our system for perhaps fifty years or more, was greatly aggravated in our time and thus brought on the disastrous depression of the thirties.

If the minister will only learn and ponder the fact that the depression did not commence to lift until 1933, just exactly when the world began to rearm, he will begin to realize that there was a fundamental fallacy somewhere, a fundamental weakness in our economic system, which only war could set right. After the nations began to rearm, money was put into circulation; ready markets were found for many of the goods which were produced. Let him bear in mind that we were still virtually in a depression in Canada when the war broke out in 1939. Around 500,000 men were unemployed; wages were low; prices of primary products were low. Only war restored prosperity. Why did war restore prosperity? First of all, because war put money into circulation, because it provided plenty of markets at remunerative prices for manufactured goods, and reasonably good prices for primary products. Wages became fairly good.

These are the four elements that are necessary to restore prosperity, but there was an appalling debt being created as well. We must learn how to bring about the four conditions of prosperity without the debt and the war. We must have money in circulation; we must have markets; we must have reasonable prices; we must have good wages for all. These must be accomplished without debt. I maintain that it is absolutely impossible to bring about these conditions which I have indicated, these four essentials to prosperity, without the use of debt-free money.

Let everyone remember that the choice now before the Canadian people is not the choice of the old laissez-faire way of doing things before the war; it is not a choice between that method of doing things and socialism. The Liberals are going rapidly to socialism. They will not need to talk of a socialist government if they continue in office for two more terms. Every move they are making is socialistic, which indicates clearly that the country is being driven to socialism. There is only one alternative. There is only one way of guaranteeing security with freedom, and that is through the use of debt-free money as advocated by social crediters.

The house divided on the amendment to the amendment (Mr. Blackmore) which was negatived on the following division:

YEAS

Messrs:

Blackmore	Johnston (Bow River)
Bryce	Knowles
Burton	Lacombe
Castleden	Marshall
Douglas (Weyburn)	Nicholson
Fair	Noseworthy
Gillis	Quelch
Hansell	Roy
Hlynka	Shaw
Jaques	Wright—20.

NAYS

Messrs:

Abbott	Fraser (Peterborough West)
Anderson	Fulford
Bence	Gardiner
Bertrand (Laurier)	Gershaw
Black (Cumberland)	Gibson
Black (Yukon)	Gladstone
Blair	Golding
Bonnier	Gray
Boucher	Gravdon
Bruce	Green
Casselman (Grenville-Dundas)	Gregory
Chevrier	Hanson (Skeena)
Claxton	Hanson (York-Sunbury)
Cleaver	Hazen
Coté	Henderson
Cruickshank	Hill
Dechene	Ilsley
Diefenbaker	Isnor
Edwards	Jackman
Emmerson	Kinley
Esling	LaFlèche
Evans	Lafontaine
Fontaine	Lalonde
Fournier (Hull)	

Leduc	Nielsen, Mrs.
Leger	Nixon
McCulloch	Perley
MacDiarmid	Pouliot
Macdonald (Halifax)	Purdy
Macdonald (Kingston City)	Ralston
	Reid
McDonald (Pontiac)	Rennie
McGarry	Roebuck
McGibbon	Rose
McIlraith	Ross (Calgary East)
MacKenzie (Lambton-Kent)	Ross (Hamilton East)
	Ross (Middlesex East)
MacKenzie (Neepawa)	Ross (St. Paul's)
Mackenzie (Vancouver Centre)	Ross (Souris)
	Ryan
MacKinnon (Edmonton West)	St. Laurent
	Sanderson
MacKinnon (Kootenay East)	Senn
	Sissons
McLarty	Soper
MacLean (Cape Breton North-Victoria)	Stirling
	Taylor
Macmillan	Thauvette
McNevin (Victoria, Ont.)	Tripp
	Tucker
McNiven (Regina City)	Turgeon
	Turner
MacNicol	Tustin
Matthews	Veniot
Maybank	Ward
Michaud	Weir
Mutch	White
Neill	Winkler—107.

Mr. T. C. DOUGLAS (Weyburn): Mr. Speaker, the remarks I wish to make on this measure will be purely extemporaneous. I have not the advantage of the Minister of Finance (Mr. Ilsley) who read a carefully worded essay on to the record the other day. I do not know by whom it was prepared.

As was said this afternoon by the leader of this group we had intended to have merely one statement from this group in order to facilitate the passage of this measure to the banking and commerce committee as quickly as possible. But the minister took a strange attitude in introducing this important piece of legislation. He reminded me of nothing so much as of a man out on the butts doing bayonet practice on straw men. After having a little bayonet practice, the minister felt that he had succeeded in knocking down on the ground the three or four straw men that he set up.

He set up four basic arguments for the socialization of the banking system, and then proceeded to demolish them to his own satisfaction. I would ask the house to look at those four arguments.

First of all he said that those who urged the nationalization of the banking system did so on the ground that it would give more effective control of currency, credit and prices. The minister argued that since the country now owned the Bank of Canada we now had effective control of currency and credit, on the theory, as stated at page 2543 of *Hansard,* that since the banks must base their loans on their cash reserves, and since these cash reserves are controlled by the central bank, the government has power, by either expanding or contracting those cash reserves, to control the amount of credit which is in existence at any given time.

What I would point out to the minister is that, while it is true that under the Bank Act the federal government has power to prevent undue expansion of credit, it has no power to prevent undue contraction of credit. That is, it has power to create extra cash reserves but it has no power nor the machinery to see to it that the extra credit is placed in the hands of the consuming public. So that while it is true that the Bank of Canada serves a useful function in being able to prevent undue expansion of credit, it has no power to prevent a rapid contraction of credit such as we had during the early thirties.

The minister argues on page 2543 of *Hansard* that what he calls "the spur of cost and self-interest" will force the banks to lend to the full capacity of their cash reserves. May I point out that the spur of cost and self-interest was present from 1929 to 1933 and that during that period there was a tremendous deflation in the Dominion of Canada, because there was nothing the government could do to prevent the banks from calling in their loans. It could prevent the banks from extending their credit beyond a certain point, but it had no power to prevent them from calling in their loans. The minister's argument is upset by his own remarks at page 2540 of *Hansard,* where he says:

> The banks, of course, were not blameless, either in respect of the policies they followed in the boom years of the late twenties, policies which involved the granting of too much rather than too little credit, nor in the policies they followed with the onset of depression when faced with the necessity of saving their own institutions they may have aggravated the deflationary process which the antecedent inflationary boom had made inevitable.

Again, on the opposite page, 2541, dealing with the banks during the depression, the minister says:

> The banks, however, were private, profit-making institutions and it was only natural that the automatic working of competitive, commercial forces should not always coincide perfectly with the broadest national interest.

There is the complete demolition of the minister's own argument. When the safety of the banking institutions was at stake as compared with the national interest, the minister says it was only natural that they should think in terms of their own safety and their own shareholders; and if the banks

again find that, in order to safeguard their own interests, a period of deflation must take place, there is nothing in this bill and nothing the minister has suggested that would prevent such a deflationary process from taking place.

Mr. ILSLEY: Except the central bank.

Mr. DOUGLAS (Weyburn): The central bank has no power to prevent contraction of credit. It has power to make available to the chartered banks cash reserves, but there is no guarantee that they will use them except "the spur of cost and self-interest", and if that is not strong enough there is nothing at all to guarantee that the banks will make their cash reserves available.

Mr. GARDINER: It is the only way in which they can make any profits.

Mr. DOUGLAS (Weyburn): The Minister of Agriculture says it is the only way in which they can make profits, but they may prefer to make less profit as they did during the early years of the depression, or they may prefer to make no profit at all rather than to take the steps which may be necessary at a particular time when deflation is threatened. At page 2556 of *Hansard* the minister says:

> The most common complaint is that the banks have been unduly restrictive in their lending policy, particularly during periods of difficulty such as were experienced during the drought and depression years of the thirties.

Here we have the same story. The minister himself admits that the complaint laid against the banks during the year of drought and depression was that they followed a deflationary policy. There is nothing in this bill to guarantee that the same deflationary policy will not be repeated.

The second argument the minister set up in order to knock down was that those of us who argue for nationalization of banking do so on the ground of greater economy; whereupon the minister waxed eloquent on the efficiency and economy of the banking system. It all depends on what the minister means by "efficiency" and by "economy." If the minister looks upon the banking system as an institution for the purpose of treating credit as a commodity, something to be kept scarce so that its value will be high, something to be loaned out when its value is low and to be called in when its value is high, something on which to make a profit; if the minister is thinking of the banking system in terms of a commercial institution engaged in selling credit as a commodity for the purpose of making a profit, then there can be very little improvement in the efficiency and in the economy of the banking system. Perhaps it is operated, as the minister said, safely and soundly in the interests of the shareholders and of the depositors.

But is that all that a banking system is for? From our point of view the banking system is to provide, not credit as a commodity, but credit as a medium of exchange whereby it is possible for people to exchange goods and services. We look upon a financial system not merely as an institution for the purpose of making profit out of selling credit as a commodity; we say that a banking system ought to be geared to our economy in such a way that whenever we create a dollars' worth of goods we create the purchasing power with which to buy those goods, or, in other words, that a banking system ought to function as a medium of exchange by which the goods created by the people of a nation may be consumed by those people or so that they may consume goods which they get in exchange for goods they have produced.

The minister's own quotation on page 2541 of *Hansard* is the worst indictment he could possibly have made of his own argument, when he quotes Professors Thorp and Mitchell to the effect that from 1888 to 1924 Canada had 1·86 years of prosperity for each year of depression. Remember that is before the great depression. Add to that ten years of depression from 1929 to 1939 and see what the ratio is. The best that the minister can say for an economic system which is capable of producing the tremendous abundance of good things of life made possible by the ingenuity of man and the inventions of science is that it gives people about one year and ten months of so-called prosperity for every year of depression. If that is what the minister means by efficiency and soundness, then the banking system is sound and efficient. We believe that the banking system has a much higher function, namely that it ought to be geared as an instrument of national policy to our economy in such a way as to enable the Canadian people to exchange the goods which they have helped to create.

Another argument which the minister put up and then proceeded to knock down was when he said that we wanted the banks nationalized because they constitute a monopoly. The minister went on to say, of course, that they were not a monopoly, and that even if they were a monopoly there was nothing to prove that the directors of those banks who are also directors of corporations showed any particular favouritism to their own firms. Then, I thought, the minister for a few moments let the mask slip and uttered a little wistful plea. He said, at page 2545 of *Hansard:*

> I often wish that the banks and other business corporations would search more intently for

suitable directorship material in other walks of life—such as in small business, agriculture and labour—and also that the banks would use to a greater extent the device of regional advisory committees. . . .

Here is the minister admitting what everyone knows, that the banks have become a series of closed corporations, that the great mass of the people of Canada—workers, farmers, small business men and professional men—have little or no voice in the councils which shape the economic destiny of this country. When the minister talks about having representation on these boards of directors, what does he think we mean when we talk about nationalization? Just that. When we talk about nationalization we have two things in mind: one, that the banking system shall be geared to our economy so as properly to facilitate the exchange of goods and services; and, second, that farmers, workers, business men and professional people, people in all walks of life, shall have representation on the boards of directors that guide the economic destiny of the nation. After all, that is economic democracy. In this country we have political democracy. None of us, I am sure, would belittle it. Many of our forefathers laid down their lives that we might have the measure of political democracy which we now enjoy, and brave men across the seas are laying down their lives to preserve it in the world. What we are asking is that we shall move one step forward and shall add economic democracy to our political democracy, so that the workers through their trades unions, the farmers through their cooperatives, and the business men through their various business organizations, shall be given a place and a voice in the economic councils of the nation. That is something which the minister's statement admits we have not at the present time.

Mr. GRAYDON: Would that not approach the corporate state?

Mr. DOUGLAS (Weyburn): No, it would not approach the corporate state. I would not think it would be corporatism for the workers and farmers of this country to have some representation on the directorates of this country. I am sure that would be a much more democratic approach than having the same men who sit on these boards of directors now and who think exclusively in terms of big business and vested interests.

The last argument which the minister puts up and then proceeds to push over is that we of this group want socialization of the banks not for any particular economic function that is beneficial to the community, but because it is a sinister way of destroying private enterprise and bringing in the thin edge of socialism. I say to the minister that we do not believe in socializing anything just for the fun of socializing it. There can be only one criterion as to whether or not anything should be operated by the public, and that is whether it can thereby be operated to the better advantage of the community as a whole than by leaving it in private hands. What is the minister's objection to the public ownership of the banking system? On page 2556 of *Hansard* he says:

It seems to me, however, that the credit stringency—

I am reading from the wrong page.

Mr. MacKINNON (Edmonton West): It doesn't matter.

Mr. DOUGLAS (Weyburn): It certainly does not matter. There are a lot of bad spots in it.

At page 2546 of *Hansard* the minister says:

But a far more important point is the undesirability of having the credit of each of us and of every business throughout the country assessed by civil servants working under political control for a government banking monopoly, rather than by bank managers interested not in the political or other views of the borrower but solely in his ability and trustworthiness as a debtor.

That is the most damning indictment any man ever made of his own mental processes; the minister is father of a piece of legislation brought down in this house a few weeks ago which proposes to set up a publicly owned bank in which the persons seeking to borrow will have their trustworthiness assessed by civil servants. Is the minister now giving notice in advance to would-be borrowers that their trustworthiness will be measured in terms of their political stripe? Is the minister now saying that the Industrial Development bank is to be operated on the basis of political favouritism? Is that what he is saying? Because it is what he says about the banking system, if it were run by the same people. The minister himself is setting up a small socialist bank. Granted it is only going to handle about $100,000,000, but it is the people's money; it is a socialist bank, and if the minister's argument applies to the socialization of all the banking system, it applies equally to the bank which he proposes to set up. He cannot have his cake and eat it too.

Personally, I do not believe the minister is as bad as he makes himself out to be. I do not think the Bank of Canada has been run on a political basis. I have enough faith in the minister not to believe that, because I have a high respect for his personal integrity, and I do not believe that he will allow the

Industrial Development bank to be operated on the basis of political considerations. I do not believe that Canadians who come to borrow money from the Industrial Development bank will have their political opinions investigated before they are lent money. But if the minister believes that, then he had no right to bring in the bill; and if he does not believe it, he had no right to say what he said last week, because he does not believe it. He cannot have it both ways. He cannot believe that there would be political considerations and bureaucracy in a generally socialized banking system and not believe that there will be bureaucracy and political considerations in his own socialized Industrial Development bank. The minister therefore will have to take one or the other. He ought either to withdraw the Industrial Development bank bill and conduct that bank in the same way in which he will conduct farm loan improvement, handling industrial development loans through the chartered banks and guaranteeing their losses, or he ought to go all the way and socialize not only the Industrial Development bank but the whole banking system.

The minister said another interesting thing on the same page, page 2546:

> No one can tell me that the Canadian people who have reacted as they have in the last three or four years to the limited controls—

I call attention to that word "limited".

> —and partial regimentations essential to the emergency requirements of war time would ever vote to imprison themselves in a socialized state which would make such controls and regimentations practically universal and perpetual.

If the minister says that, he misunderstands two things, it seems to me. First, he fails to recognize why the public object to the regimentation and controls contingent upon the war emergency. I do not think the people object to regimentation and control as such. I think they object to them because they have not been partners in the imposition of those controls and that regimentation. There are two kinds of control; there is control from the top and control from the bottom. So far the control has been mainly from the top, imposed by dollar a year men, imposed by crown companies set up by the government, with men on the directive boards, who have no authority to speak for the public and do not reflect its opinions. There are controllers set up all over the country, advisory boards on which the farmer, the labourer, the small businecs man, the retail merchant and the professional man have, in the main, been conspicuous by their absence.

There is a great deal of difference between that kind of control and control in which the people themselves have some part; a control in which the workers, the farmers and the general public of Canada have representation on the various boards, representatives appointed by themselves and selected from among themselves by virtue of their occupation, geography or the particular industry in which they happen to make their living.

I suggest to the minister, therefore, that his fears are groundless when he talks about regimentation and control in connection with a nationalized banking system. A nationalized banking system which had become an instrument of national policy, in which the people themselves had some representation through their various organizations on boards of directors, which would not be controlled from the top, but would enable the people of Canada to feel for the first time in our history that they had some voice in the operation of the economy which controls their daily lives.

May I point out to the minister that while he answered many questions which we had not asked, there was one very important question he did not answer. I expected, when the minister brought down the bill, that he would try to make a case, not for the bankers' association but for our banking system, because I believe that most people who are thinking at all about social and economic questions these days are conscious of the fact that our banking system was built in the latter half of the nineteenth century. It was based on the experience of banking in Europe in the three preceding centuries.

Our banking system was built to meet the needs of a pioneer economy, and based largely on a system of free enterprise. Since that time the world has passed through two social revolutions, whether the minister is aware of it or not. Since that time the technological progress which mankind has made, the tremendous powers of mass production, the scientific development which has produced all kinds of new commodities and made them desirable to the general public, if the general public had the purchasing power to secure them—all these things have come into being since our banking system was devised. I was waiting to hear the minister tell the house how this banking system in Canada, if these ten banks were granted their renewals, could serve the economic needs in the twentieth century. I do not think he has made a case for it. I do not think he has shown that our present banking system can relate consumption to production. I do not think he has shown that in the period following the war our banking system can give the people of this country sufficient purchasing power to maintain full employment, to provide markets in the cities for farm produce and in the rural areas for industrial commodities.

At page 2557 of *Hansard* the minister cited all the things the farming population need: electrical equipment, buildings, fences, machinery, radios and so on, and I agree with him. But the minister has not made any case to show that this obsolescent banking system has been brought up to date sufficiently to meet the needs of this mass production and monopolistic age. As a matter of fact, if one takes the trouble to look at the patches which have been put on the banking system in the last few years, that in itself shows what a miserable failure it has been in meeting the needs of the situation. The minister mentioned the central mortgage bank; then there was the home improvement scheme, and the national housing scheme. Now we have the Industrial Development bank and the farm improvement loan scheme which the minister has outlined, to be followed later, I understand, by credits for the fishermen. Each of these schemes stands as an eloquent monument to the fact that the present banking system is not fulfilling the functions which a properly constituted system is intended to fulfil.

I want now to say just a word as to how this legislation affects the farming population. As I said before, I agree with what the minister has said as to the need for increased agricultural credit. I agree with the minister when he says that the farming population need money with which to improve their homes, to buy fixtures and utensils, just as soon as the war is over and we are back in peace-time production. Not only is that necessary for the farming population; it is necessary if the great industrial sections of Canada are to have markets for much of their production. How does the minister propose to make this credit available to the farming population? He proposes to do it through section 88 of this bill, and, I believe, through the farm loan improvement scheme. This is a long way from the agricultural bank which was moved at the Liberal convention in 1919 by the late Doctor Motherwell, and, I believe, adopted unanimously by that convention. This is a long way from the industrial development bank recommended to parliament by the Oliver commission on which Hon. C. A. Dunning sat. This is a long way from the agricultural bank that has been promised repeatedly to the farmers of western Canada. When the minister was speaking the other day the leader of the opposition (Mr. Graydon) interrupted to ask a pertinent question, to which no direct answer was given. At page 2559 of *Hansard* the hon. gentleman asked:

—whether the existing lending institutions might conceivably be used for the purpose envisaged by the industrial development bank in the same way the minister now proposes to do in the case of agriculture.

I imagine the leader of the opposition was thinking from the opposite side of the question. He is wondering, I imagine—and he will correct me if I am wrong—why the Industrial Development bank cannot be handled in the same manner that the minister proposes to handle these farm loans.

Mr. GRAYDON: I was just seeking information, not attempting to express an opinion.

Mr. DOUGLAS (Weyburn): I am interested in the matter from the opposite side; I want to know why the farm loans cannot be handled in the same manner as the Industrial Development bank. Why is there to be different treatment for agriculture from that for industry? This is not to be a government bank for farmers; let us not delude ourselves. This is merely to be a scheme under which the banks will lend their money at five per cent interest—which is a very good rate of interest these days—the government will guarantee the losses, and the banks will make the profits. That is what it amounts to. This scheme is very similar to the home improvement scheme, under which a man could go to a bank and, if he could convince the manager that he was a good risk, he could borrow the money. The government guaranteed the losses of the banks up to a certain percentage.

Mr. McNIVEN: Was it not a good scheme?

Mr. DOUGLAS (Weyburn): I would ask the hon. member for Regina City how many farmers he knows in Saskatchewan who came under the benefits of that legislation?

Mr. McNIVEN: Well, $50,000,000 was lent under it.

Mr. DOUGLAS (Weyburn): That is not an answer to my question; I am asking how many farmers in Saskatchewan came under it. I know $50,000,000 was lent, during two or three years, spread over the entire Dominion of Canada. That was a mere bagatelle. It did not begin to meet the situation. In a speech just before Christmas the Minister of Labour (Mr. Mitchell) was reported in the press as having said that we needed 1,200,000 homes in Canada. Are they to be procured under a $50,000,000 home improvement scheme?

Mr. McNIVEN: We are still financing the war.

Mr. DOUGLAS (Weyburn): But the $50,000,000 was spent before the war, as the

hon. member knows very well. The home improvement scheme was introduced before the war, at a time when the government could have put out $500,000,000 instead of $50,000,000; when it could have employed many of the four hundred thousand men who were wandering around this country looking for jobs; when it could have employed some of the farmers on the prairies who were on relief, and who were only too anxious to earn some money.

Mr. EVANS: Were they carpenters?

Mr. DOUGLAS (Weyburn): Many of them were very good carpenters if one may judge from the work they have done on their own farms. The government could have trained them as carpenters, if they were not carpenters already. It would have been a good deal cheaper to train them as carpenters than to have them doing nothing at all. I noticed, when the war broke out, how quickly we were able to train men to be carpenters, electricians, machinists and everything we needed, but during the period before the war we could not train them at all. The home improvement plan operated on exactly the same principle as the plan now before us; and it touched only the fringe of the problem. It was another case of the government guaranteeing the losses and the banks taking the profits, and now that policy is being applied in the case of the farmers. What will happen under this scheme is exactly what happened in the case of the home improvement scheme. The man who will be able to get a loan under this scheme will be the man whose credit is good enough to get a loan anyway; the man who cannot get a loan now is not going to be able to get it under this scheme; make no mistake about that.

If we are going to discuss the question of regimentation, I would suggest that any hon. member who is interested should look at subsection 3 of section 88, which is on page 47 of this bill. Here is a provision which will allow the banks to go on a man's farm, take away his crop and thresh it for him, or take away his live stock or equipment. We talk about the dead hand of bureaucracy; just read what the very live hand of the banks is going to be doing to the farmers who come under this scheme. Therefore I say to the minister that if section 88 is all he has to offer the farmers of Canada as a solution of their credit needs after the war, it is indeed a lamentable disappointment.

I wish to say in closing that we in this group stand for the nationalization of the banking system. We supported the sub-amendment of our hon. friends to the left, because in our opinion if you take from the chartered banks their power to create currency and credit and restore it to this parliament, as their sub-amendment suggested, you have nationalization of banks. We contend that you cannot take the power to create currency and credit from the banks without nationalizing the banks. In our opinion, the only way you can have social credit is out of a socialized banking system. The government of course, with its great majority, will pass this bill. The government will renew the charters of the ten chartered banks; but Canada will rue the day that this decision was made by parliament.

The hon. member for Lethbridge (Mr. Blackmore) said that the government was becoming a socialist government. I am sure his fears are quite unwarranted, but the fact does remain that the inevitable logic of economies is forcing the government more and more into public ownership and control of those things that are essential to the welfare of the country. Before another ten years go by, whatever government is in power at that time or before that time, will be compelled to take over the ownership and control of the banking system of Canada, first of all, to finance consumption and to make it possible for the people of Canada to consume the goods and services which they create; and, secondly, to give to the common people of Canada some voice in their own economic destiny.

Mr. LIGUORI LACOMBE (Laval-Two Mountains (Translation): Mr. Speaker, I have voted in support of the amendment to the amendment, but I shall vote against the amendment. I am opposed to the establishment of any monopoly, and the worst one is the putting of our public utilities under state control. We already have state control in the case of radio and spirituous liquors, which is the underlying cause of the worst abuses and the most glaring discrimination. Public opinion as voiced through the press and expressed in protest meetings and resolutions, has many times condemned state control, which is a form of objectionable socialism. Let us have facts showing the so-called advantages of state control. Who will claim that the setting up of the Canadian Broadcasting Corporation and the liquor control has been a boon and an act of justice? The Canadian Broadcasting Corporation is an all-powerful bureaucracy in the hands of the party in power, and so it will be in the hands of any government. The same thing may be said about state control over the sale of liquors. In both cases, people who enjoy the favour of the party in power are invariably those who reap the benefit.

Besides, it is already enough that we should have the Bank of Canada, the twin of the Bank of England.

The advocates of state ownership should tell us what has become of our chartered banks' gold reserve, which the Bank of Canada has taken over. Where is our gold? Where has it gone? We have produced billions of dollars worth of that metal during the last thirty years. It has taken the same direction as the annual billion-dollar gifts. Has the nationalization of the Bank of Brazil been a success? Yes, for high finance, but not for the people, whose money was devalorized by more than 500 per cent. Finally, if the chartered banks were to be put under state ownership the lion's share of victory loans would no longer be taken by wealthy people, companies and great industrial and financial institutions, but the workers and farmers would have to assume a still larger share of them.

(Text)

Mr. VICTOR QUELCH (Acadia): The Minister of Finance (Mr. Ilsley) in moving the second reading of this banking bill is asking the house to endorse the principle of a debt-creating system. Before that is done, I think we should consider very carefully the consequences of this system on the economy of Canada in the past, and what the actual consequences will be in the future.

The minister, in his remarks, emphasized the fact that in his opinion the banks had operated efficiently in the past. I would ask, efficiently from whose point of view? If we regard the banks as manufacturing money, lending money at a substantial rate of interest, returning to their shareholders a substantial profit, then no doubt from the point of view of the shareholders we may say that the banks have operated efficiently in the past. And when one remembers that during the depression years, when practically every other concern was showing a loss, the banks were still able to pay an average return of around eleven to twelve per cent on their paid-up capital, then they did not do so badly. If, on the other hand, we regard the banks as institutions to serve the people in order to maintain the optimum development of the resources of the nation, then I do not think it can be said that the banks have operated efficiently in the past, so far as the people of this country are concerned.

It is true the minister has said that in the past the banks were hampered by certain limitations. To a certain extent some of those limitations were removed when the Bank of Canada was instituted. Many people believe that there are still limitations that should be removed. Therefore I feel at this time, before this bill is passed, that the necessary changes should be made so that the banks may serve the people efficiently in the future.

The minister has said that it is not fair to blame the Canadian banks for the depression that was of a world-wide nature. I would agree that it is not fair to blame the Canadian banks for the depression throughout the world; but I do think that the banks of all countries alike, with international finance, will have to take a very large responsibility for the conditions that existed in this country and in the world in general from 1930 to 1939. I would say that the financial policies carried out in the various countries of the world during that period were largely to blame for that situation.

It will be remembered that during the years 1926, 1927, 1928 and 1929 there was a fair degree of prosperity throughout the world. By 1929 some of those prosperous nations had started to have an unfavourable balance of payments. From 1923 to 1928 Canada had a favourable balance of payments, but in 1929 Canada had an unfavourable balance of payments of $65,000,000. In 1930 that unfavourable balance of payments had increased to $159,000,000. It was then decided, apparently, to impose a deflationary policy, not only in Canada, but in other countries that were in the same condition. For instance, we have the example of the Otto Niemeyer mission that was sent to Australia in order to try to bring about a balance of payments in that country. An ultimatum was placed before the Australian government, demanding that they take the necessary action to bring about a balance. They were urged to balance their budget and to curtail their general expenditures, and that largely was the policy which was adopted in this country. In other words, we attempted to bring about a balance of payments by a policy of restriction. Fortunately, I think it is generally realized to-day that when there is an unbalance of payments, a balance should be brought about by a policy of expansion. That is to say, we should try to expand the production of the debtor nations and expand the consumption of the creditor nations instead of doing as we have in the past, reduce the consumption of the debtor nations and reduce the production of the creditor nations. In view of the fact that that seems to be generally understood to-day I was surprised when the Minister of Finance criticized the chartered banks for not having put on the brakes sooner than they did, criticized them for waiting until 1929 before they started to restrict credit. I suggest to the Minister of Finance that had the banks started to put on the brakes prior to 1929 the only difference would have been that we would have gone into the depression in 1926, 1927 or

The Minister of Finance has also suggested that part of the problem that arose during 1930 to 1934 was owing to the fact that there was no central bank in Canada. An interesting point to note is that Australia had a central bank and their depression was every bit as serious as the depression in Canada. England had a central bank also. Central banks were not able to prevent the depression, and I doubt very much whether it would have made any difference to Canada if we had one. Probably the only difference would have been that through the services of a central bank we would have been able to organize our deflationary policy a little quicker than we did.

In 1936 the government established majority control over the Bank of Canada. We were told then most emphatically by various ministers of the government that we had established in this country effective control over the issue of currency and credit. The people expected that the government would then put into operation the policy that had been declared by the Prime Minister during the election campaign of 1935 when he stated that a nationally and publicly controlled central bank was needed in order to maintain the issue of currency and credit in terms of public need to meet the domestic and social requirements of the Canadian people.

I doubt very much if the Minister of Finance would try to argue that from 1935 to 1939 that policy was maintained. The minister surely will not try to argue that currency and credit were made available in terms of public need during those years. It is only necessary to remind the house that during those years we had in the neighbourhood of half a million unemployed and a million people on relief. Industry was operating at less than fifty per cent of its capacity and at the same time we had an average favourable balance of payments of $218,000,000.

The minister will also recall how during that period the members of this group continuously urged upon the government the necessity and desirability of issuing money for the purpose of maintaining and developing the resources of this nation in order to give employment so that the money paid out in that employment would help to create demand against the goods that could be produced by industry working at full capacity; or, on the other hand, the money could have been used in payment for the imports that could have been brought into this country, using our favourable balance of payments abroad. I do not think it is necessary for me to remind the Minister of Finance of the kind of criticism we ran into during that period. We were always told by the former Minister of Finance, the Hon. Charles Dunning, that no money was available for the purpose. When we suggested that national money should be issued we were told that such a policy would be inflation. I have here an extract from *Hansard* of 1938, and I shall quote the words of the then Minister of Finance so that no one will be able to say that I am trying to distort them. We were discussing the action that should be taken to develop the natural resources, and when it was proposed that a certain amount of national money should be issued for that purpose the then minister had this is say on March 8, 1938, as reported on page 1152 of *Hansard*:

> Inflation may look like a scheme by which governments can get something out of nothing. It is not so. The mind of man has not yet solved that particular problem, and never will. Governments have only one source for the funds which they use, and that is the pockets of their people.

Does the minister agree with that statement? During the period 1935 to 1939 the resources of this country were systematically sabotaged while Germany was aggressively preparing for war. That was especially so in 1938 when the then Minister of Finance made that statement. We allowed men to remain unemployed, we allowed our resources to remain undeveloped, and we made no attempt to build up the defences of the country. Why? Because the then Minister of Finance told the country that there was no money available to put the unemployed to work. We are told that finance is largely a matter for experts to deal with, that it is impossible for a layman to understand the intricate details of finance. I think our past experience demonstrates clearly that in the future the people will have to be more interested in the financial policy of this country than they have been in the past. I do not think I am exaggerating at all when I say that had the people who were responsible for the financial policy of Canada during that period been the paid servants of Germany they could not have maintained a policy which would have been of greater benefit to that country.

Then came the war and, strangely enough, we had a very quick change in the attitude of the government on this question of money. Where as the pleadings of the people had failed to get the government to issue the money that was needed to maintain full employment, a new motive was able to spur on the government. That motive was fear. I have seen a man run faster than he ever ran before when machine gun bullets played around him, and the same motive caused this government to act when the pleadings of the people in the past had had no effect.

What happened? Within six weeks of the declaration of war the government hired the chartered banks to create $200,000,000 of money for the purpose—let me quote the present Minister of Finance who was then Acting Minister of Finance as to why it was necessary to have a certain amount of credit expansion as soon as war was declared. I quote from a speech made by the minister on September 12, 1939, as reported on page 140 of *Hansard,* as follows:

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. It must be small and carefully controlled because its effects which may not appear immediately are cumulative and otherwise might get out of hand. 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.

I could agree with a great deal of that statement. What puzzles me, however, is this. If six weeks after the declaration of war it was necessary to have monetary expansion in order to provide full employment so that we might develop the resources of the country, why was it not just as sound to have that expansion two months before war was declared when we had exactly the same situation? Why was it not possible to have that credit expansion in 1938, 1937 or 1936 when we had large undeveloped resources in this Dominion? We had to wait for war before the government would make a move.

During the fall and winter of 1939 there was not very great activity in Canada. It took Dunkirk to really waken this government. Fear then became more prevalent throughout the country, fear as to what might happen if we did not wake up. We then had a declaration from the government that no financial restrictions would be allowed to impede our war effort, that the only limit to our war effort would be the men and materials necessary to produce a total war. On several occasions we have asked the government to make a similar declaration regarding the post-war period, but so far that declaration has not been made. I think the Canadian people have a right to ask that this government shall assure to them at the conclusion of hostilities whatever money is needed to maintain the full development of the resources of this country. We have been able to find it in war time and there is no reason why we cannot find it in peace time.

[Mr. Quelch.]

Let me continue the quotation of the remarks of the Minister of Finance on September 12, 1939, as follows:

However, as soon as the expansion of employment and production gets well under way and certainly before it approaches its limits, further expansion of the supply of money and credit must be stopped if the danger of progressive inflation is to be avoided. With an economy at full production and employment, the only result of expanding money and credit is to raise prices without increasing production.

The minister must have changed his ideas to-day, because we know that last year employment was at a very high level and we were told that we were rapidly approaching the full development of the resources of the nation and that our main difficulty was to find the people required to develop them. In spite of that fact we created $980,000,000 of new money last year through the chartered banks and the Bank of Canada. Yet in his speech in September the minister stated that as soon as we approach full employment no more money must be created because it would not expand production. Last year, although we were warned that we had reached the peak of the development of the resources of the nation, nevertheless we created $980,000,000 of new money. Why? To maintain a total war effort. I suggest that in the future, even when peace time comes, if we are to maintain the full development of the resources of the nation it will always be necessary from time to time to have an expansion of money. I think this is endorsed by the governor of the Bank of Canada. Last year, on April 4, 1943, I participated in a broadcast with Mr. Graham Towers and asked him this question:

After the war the need will be to encourage private spending. Heavy taxes and public borrowing will be contrary to the public welfare. Will the government finance all desirable public projects by credit expansion when necessary?

Mr. Towers replied:

In circumstances such as Mr. Quelch describes, I would say there would be grounds for government not meeting the entire cost of its programmes by taxing and drawing on public savings. The desire would be to encourage private spending and make government investment more of a residual item. If part of the necessary money had to come from credit expansion—and the projects were sound and in the public interest—then I should say go ahead.

Mind you, the governor of the Bank of Canada does not say that the only money that can be obtained for the government is out of the people's pockets. He says that money can be created. Yet in 1938 we were told that the government had only one source for its funds. I think that after the war the minister will agree that it will be necessary from time to time to create new money in order to maintain the full development of the resources of

this country. The question then becomes mainly one of, where shall the money be obtained from? Will it be obtained from a national agency or from a private money monopoly, the chartered banks? This group has always urged and insisted that the money should be made available through some form of national agency, and then no debt need be incurred, or if it is incurred it will be a debt to ourselves and will never have to be repaid.

The minister has argued in the past that money issued by a national agency will expand the reserves of the chartered banks and thereby make it possible for them to bring about inflation. That merely proves that up to the present time we have not established effective control over the issue of currency and credit. The minister says that we have controls by which the amount of money in circulation can be regulated. But when these controls are put into operation, the result is that the country goes farther into debt. You cannot call that type of control an effective one, when its result is an increse in debt.

Of course I realize that the minister may pride himself on being a student of what some people call the modern school of thought, that school of thought which argues that the national debt is a national asset and the greater the debt the greater the asset; so why worry about the size of the debt? I do not know whether the minister agrees with that or not, but it is the stand that has been taken by the governor of the Bank of Canada in the past. I do not want to be accused of misrepresenting what he said so that I will quote his words. Before the banking and commerce committee in 1939 Mr. Graham Towers, at page 80 of the committees' report, was asked this question:

> Is it possible for you to imagine any way by which we are ever going to pay the debt we have got?

Mr. Towers replied:

> As the debts of the government are an asset of the Canadian people, I do not see much point in the thing; except that, to the extent that the government thinks that the distribution of those assets of the Canadian people—which are its debt—is unsatisfactory, it may take steps to remedy that distribution in any way that lies within the legislative power; in fact, in any way, I suppose—by income tax or succession duties or any other action it cares to take.

Further on, at page 235, he said:

> So that all I can say would be this, that in a country where the sum total of public and private debt was decreasing you have a country which is going backward and which is becoming more poverty stricken. Generally speaking, in a country where you find there is no public and private debt you have a country resembling darkest Africa; there is nothing else.

That apparently is the idea of the governor of the bank of Canada, that we do not need to worry about the debt because it is a debt owed to the people of this country; we need not worry about it so long as it is not owed externally. I mentioned the fact that the people who support that philosophy like to look upon themselves as belonging to a modern school of thought. But I would point out that there is nothing modern in it at all. It is very, very old. It is a type of philosophy that has been propagated throughout the world by banking institutions for centuries. Just to show you how old it is, I should like to quote a statement made in 1813 by Thomas Jefferson. It is to be found in a booklet entitled, "Out of Debt, Out of Danger," by Jerry Voorhis, where at page 15 I find this:

> The American people would have avoided a great deal of misery and difficulty had they taken to heart Thomas Jefferson's exposure of the "art and mystery of banks." Here is what he wrote on one occasion.

This was in a letter written to John W. Eppes, November 6, 1813. I continue the quotation, giving what Jefferson wrote:

> At the time we were funding our national debt, we heard much about "a public debt being a public blessing"; that the stock representing it was a creation of active capital for the aliment of commerce, manufactures and agriculture. This paradox was well adapted to the minds of believers in dreams, and the gulls of that size entered bona fide into it.

It looks as though to-day we have plenty of gulls, gullible enough to believe in that type of philosophy which is deliberately propagated by banking institutions to-day. I must congratulate the Minister of Finance upon following that philosophy energetically, for in the last year we have an increase of two and a half billion dollars in the national debt and if the war lasts much longer we shall have a national debt of from fifteen to sixteen billion dollars, which will require $450,000,000 to $480,000,000 in interest charges alone.

I do not agree with some people who say that we can never have prosperity so long as we continue under the present financial system. I believe that even if we continue under the present system it would be possible to maintain prosperity just so long as we absolutely ignore the size of the national debt and then borrow from the chartered banks the money necessary to pay the interest on that debt. If we are willing to do that, we can pile up the debt to astronomical figures, to the point where ultimately the debt charges will be greater than the total revenue of the nation. But long before that time comes the confidence of the people of the country would be destroyed, and once the confidence of the people starts to waver it would be impossible to maintain

full employment and prosperity in this nation. I believe that there is a sound alternative to that dangerous type of policy.

I should like to quote from a book written by Stuart Chase entitled, "Where's the Money Coming From?", in which he states at page 105:

> If the government borrowed solely from its own central bank without interest, there need be no interest burden at all. There would be amortization of the principal, and the fundamental prohibition not to pump too many new dollars into the system would still stand. The national resources planning board has said, "Should the day arrive when the carrying charge on the federal debt becomes oppressive, serious thought should be given to the creation by our modern banking and treasury institutions of non-interest-bearing debt."

What seems strange to me is, why wait until you reach a crisis before adopting an alternative which may save the situation? The national resources planning board says, "When the crisis has developed we may have to use non-interest bearing debt." Surely, when you see you are heading for a precipice you do not wait until your front wheels are over it before you change your course; you change your course long before you reach there. And when you realize, as all people who study the economic system to-day must realize, that a continuation of the present method of financing can lead only to disaster, surely it is time to adopt a policy of utilizing non-interest-bearing debt; I would say, non-interest-bearing debt in the sense that money could be borrowed from the national institution, the Bank of Canada, without any obligation to repay it.

This group has always stressed that it is necessary to maintain absolute and effective control over the banking system. In the past we have suggested that one way to bring this about would be the 100 per cent reserve system. I want to emphasize the fact that the Social Credit group has never stated that the 100 per cent system is the only way by which such effective control can be established. In view of the fact that our amendment has been voted on and disposed of, I suppose it would be hardly in order to continue that line of discussion at the present time. But, without referring to the 100 per cent system since it has been already dealt with on the amendment, I might deal with one of the statements which the minister made in that regard. He stated that it would be altogether too great a tax on the chartered banks if such a system were adopted; if over a period of time several hundred million dollars were issued, that money would eventually become deposited in the chartered banks, with the result that the chartered banks would have to service it without any compensation.

I think the minister's own statement which he placed before the house the other day showed that it would be no great handicap on the banks if they had to do it. On page 2550 of *Hansard* we find this statement regarding the chartered banks: during their operation for the fifteen-year period from 1929 to 1943 their current operating expenses amounted to 112·3 million dollars, and in 1943 those operating expenses had risen to 114·9 million dollars, an increase of 2·6 million dollars. Then we find that during the fifteen-year period the average of the amount deposit liabilities was 2,936·9 million dollars. In 1943 the amount of the deposits had increased to 4,606·9 million dollars, or an increase of 1,660 million dollars. So that concurrently with an increase in deposits of 1,660 million dollars you have an increase of only 2·6 million dollars in operating expenses. It is true that there was a reduction in operating costs owing to the fact that the interest payments had been reduced; but if the actual cost of issuing credit was in reality around two or three per cent, as was suggested by the governor of the Bank of Canada before the banking committee in 1939, when he said that it was three per cent including interest payments on deposits and two per cent without them, you would have had an increased operating expenditure of $48 millions, so that even with a decrease of expenses of $10 millions representing interest payments, you would still have had an increase of $38 millions in operating expenses, yet all you had was an increase of 2·6 million dollars. I mention that fact to prove that evidently there is a very large fixed overhead cost in banking; therefore you can increase or decrease the amount of deposits without altering very much the operating expenses of the banks. It would be possible, for instance, to increase deposits by $500 millions without involving any great increase of expense on the part of the banks, because they have had surplus capacity for taking care of increased business. I think the minister's statement proves that conclusively, showing as it does an increase of $1,600 millions in deposits with an increase of only $2,600,000 in operating expenses.

The minister made another point. He showed that the shareholders' net income amounted to only 5·09 per cent of their total equity on the average of the fifteen year period 1929-43, and 6·03 per cent in the year 1943. Personally I do not think that is a fair basis. I think the only fair basis is to

take the paid-up capital. For instance, if I bought a $100 bond bearing an interest rate of four per cent, and I purchased it for $60, the interest rate on that bond would still be four per cent. The interest on my investment, it is true, would be more than that, but the interest rate on the bond would remain at four per cent. The same would apply if I paid more than $100 for it. I think this principle applies to the paid-up capital of a bank. The actual dividend is declared on the paid-up capital. In 1941 the dividend of the Bank of Toronto was twenty-five per cent. True, there is a big variation in the dividends of various banks. For instance, we find that in 1941, the percentage of net profits to paid up capital, after deductions for income taxes and appropriations for bank premises, pension funds and other published allocations, was 8·16 for the Bank of Montreal, 12·34 for the Bank of Nova Scotia, 18·69 for the Bank of Toronto, 6·04 for the Provincial bank, 8·03 for the Bank of Commerce, and 10·06 for the Dominion bank. These, I think, can certainly be regarded as substantial profits.

Mr. JACKMAN: The hon. member might check that Bank of Toronto figure.

Mr. QUELCH: I gave the figure after allowance had been made for taxation, pension funds and bank premises, as 18·69.

Mr. JACKMAN: Earnings or dividends?

Mr. QUELCH: This is the net profits, after published provision for dominion taxes shown in column one and payment for pensions and bank premises. If you take the net profits after the published provision for merely taxes you have a dividend of 25·6 per cent. So that I think the minister has given a totally wrong figure when he quotes 6·5 per cent.

I would point out to the minister that if, in the early days of the operation of the banks, before their shares had risen, the government had allowed only a profit of five per cent and had made the banks turn over the balance of their profits to the government to be set aside as a reserve to take care of possible losses in the future, I do not think the value of bank shares to-day would be anything like the value they are. The only reason they are at such a high value is on account of the profits which they have made in the past.

I have pointed out on other occasions that I believe that the 100 per cent system would work effectively, provided the banks cooperated fully with the government. Unquestionably this system will take care of inflation. I have never been satisfied that it will effectively take care of deflation. You can prevent the banks from inflating, but you cannot force the banks to issue money so long as they are privately owned. That is why I have stated on many occasions in the past that I feel that in order to have absolute and effective control over the banking system, the only sound way would be to nationalize the banking system.

I want to point out to those monetary reformers and some social crediters who do not agree with that viewpoint, that the social credit movement has never taken a stand against the nationalization of the banks; they have merely pointed out that nationalization in itself means nothing unless you are going to change the policy.

Just to straighten some people out on this matter, I should like to quote from a pamphlet written by Major Douglas, entitled, "The Use of Money". I do not want to be charged with having extracted a sentence from its context, and therefore I will read a paragraph or two:

> There are two ways by which the problem can be attacked, and one of those ways has to do with the fact—which I honestly believe—that 95 per cent of the personnel of the banking system are just ordinary, every-day hard-working business people like anybody else. You can make it clear to that 95 per cent that they are engaged in a very anti-social business as carried on at the present time, and you can—and I say this with a full appreciation of the implications to be put upon it—drive a wedge between the 95 per cent and the irreclaimable 5 per cent (not situated in New Zealand).
>
> That has been done to my certain knowledge in many countries of the world, and there is no doubt at all about it that this cleavage in opinion in regard to this vital question is penetrating into the very highest quarters of financial circles at the present time, and a great deal of pressure is being placed in very high places indeed to get that 5 per cent to see sense.
>
> I speak with some knowledge of what I am talking about: but I do not believe they will ever make that irreclaimable 5 per cent see sense. Then the answer is that they have got to be put out.
>
> If they cannot be put out by the pressure of their own associates and subordinates, backed up by an increasingly firm and powerful public opinion, then they have got to be put out by constitutional means: by which I mean they have got to be put out by bringing the powers of politics to bear upon them. That I put second amongst the methods by which this matter can be achieved. But I would like to say in regard to this second method that it has a vital bearing on the inadvisability of pressing too quickly for the nationalization of banking. I do not say that something like the nationalization of banking will not have to come. I think it probably may have to come. But what I am perfectly certain of is that if you unite the powers of governments with the powers of banking before you have changed the banking system, you have got a problem which is doubly difficult to solve. So that what you have to do, if necessary, is to set the government against the banks.

I agree that if you nationalized the banking system to-day, with the present type of government remaining in power, the public would not benefit very much by the transaction. But this bill we have before us is for the next ten years and an election is not very far away. Before the end of that ten-year period there will likely have been two elections; I am optimistic enough to hope and to believe that long before the end of those ten years the present type of reactionary government will have been put out and a more progressive type of government put in, and when the progressive government do come to power I should like to see them with a Bank Act at their disposal which will make it possible for them to introduce a financial policy that will serve the needs of the country.

Mr. SPEAKER: The hon. member's time has expired.

Mr. J. W. NOSEWORTHY (York South): As I am a member of the banking and commerce committee and shall have an opportunity of discussing the bill in that committee I shall not speak at great length to-night. In fact, I had not intended saying anything on the second reading of the bill. I would not have done so but for the nature of the minister's speech delivered in the house a few days ago. That speech in defence of the present banking system must, I am sure, have gladdened the hearts of the members of the bankers' association. It would have done credit to any bank president or to the president of the association itself, and I am quite sure that the speech should stand the minister and his party in good stead when they come to bid for the support of the bankers' association in the next federal election.

The minister in his speech gave us a number of apparent contradictions. He deplores, for instance, the public criticism of the banks for their share of responsibility in the depression. He tries to exonerate the banks by saying:

> In the first place it is a travesty of economic interpretation to place responsibility for the great depression upon the Canadian banking system.

He goes on to blame the statesmen of the great nations of the world.

> Certainly the statesmanship of the leading nations in the twenties showed neither the courage nor the imagination to solve them.

He refers to these problems. I presume he does not include Canada as one of the great nations of the world and consequently does not include such statesmanship as was to be found in the Liberal party at that time. He does, however, in another sentence say, at page 2540 of *Hansard*:

> The banks, of course, were not blameless, either in respect of the policies they followed in the boom years of the late twenties, policies which involved the granting of too much rather than too little credit, nor in the policies they followed with the onset of depression, when faced with the necessity of saving their own institutions they may have aggravated the deflationary process which the antecedent inflationary boom had made inevitable.

In other words, in one breath he exonerates the banks and blames statesmen for the depression, and in the next he includes the banks in his condemnation. He eulogizes the banks for their strength, their flexibility, their efficiency, their economic operation; and I believe that no one, certainly no one in the Cooperative Commonwealth Federation, has ever criticized these particular features of the banking business. I have no doubt that a government operating the banks might find it difficult to operate a banking system at a lower cost than the present banks are doing it, for one reason. Any government operating a banking system to-day would be under some public obligation to pay the employees of these banks wages that would give them a standard of living commensurate with that in the general economic life of the country. It is, I think, notorious that bank employees throughout the years have been among the lowest paid employees of any group shouldered with the responsibilities and the type of work that bank employees are called upon to undertake.

The minister pointed out in his speech that this efficiency, this strength, this flexibility on the part of the banks are not creditable to the banks themselves but, as he points out in his speech, are based on restrictive measures which parliament over the years has placed upon the banks. It is that very control exercised by parliament, which he deplores in government-owned banks, that he admits has made our banking system as efficient as it is to-day. He assumes the position that the central bank is now meeting all the deficiencies that existed previously in our banking system. It has been pointed out already that many deficiencies still exist in that system which are not met by a central bank. As the minister has pointed out, and as every hon. member knows, a central bank does not lend directly to the public. Apart from loans to the government, it lends only to the chartered banks. This means that it can make credit or money available to the chartered banks, but it has no control whatever over those banks to see that they in turn lend that money, or over borrowers to see that they borrow it. There have been times in our history, and not so far distant at that, when the chartered banks were afraid to lend the funds they had and

borrowers were afraid to borrow them, even at fairly low interest rates. That condition actually prevailed in the thirties. The central bank has no control over the direction of the money which it makes available, even if that money actually is lent by the chartered banks to industry. Quite properly, in their own interests, the chartered banks will lend that money where it is most profitable to do so. Private profit and public interest do not necessarily coincide. They often conflict. What may be profitable from the point of view of the community and the national need may be unprofitable and undesirable to the private capitalist or bank with money to lend.

Furthermore, as has been pointed out in this debate, no central bank in any country has ever been able to stop a boom except by starting a depression. The reconstruction committee of this house has had numerous briefs presented by various privately owned industries. They all recognize that neither the central bank nor the chartered banks, nor the two together, can be depended upon when the war is over to create full employment. In all their briefs they call upon the government to be ready to spend vast sums of public money to augment the sums which private enterprise will spend in the post-war years. If the minister will read the debate which took place in April, 1934, when certain members of this house proposed that the central bank should be publicly owned as well as publicly controlled, as it is to-day, he will find that many hon. members were opposed to the public ownership of that bank, and that they advanced exactly the same arguments that have been advanced by the minister against the public ownership of the chartered banks, including the argument of political patronage. The bank presidents who opposed the establishment of a publicly owned central bank, and the members of this house who joined with them, are the men who to-day try to tell us that the central bank, publicly owned and controlled, is sufficient to meet all the needs of our economy.

It is probably true that a minister of a Liberal government—and I presume it would be equally true of a minister of a Conservative government—cannot conceive of a government enterprise operated without political patronage. Over the years in this country it has been the practice that when a Conservative government goes out of office, practically every position that is at the disposal of the government reverts to a Liberal, and vice versa. We are seeing that happen in Ontario every day. Under a new Conservative regime all available positions at the disposal of the government are being taken from those of Liberal affiliation and passed over to Conservatives.

Mr. FRASER (Peterborough West): Have you proof of that?

Mr. NOSEWORTHY: Yes, I have.

Mr. FRASER (Peterborough West): I think you are absolutely wrong; in fact I know you are.

Mr. JOHNSTON (Bow River): Can you disprove it?

Mr. FRASER (Peterborough West): I certainly can.

Mr. NOSEWORTHY: You will have your chance to do so later on. That is the history of both the Liberal and Conservative parties in this country through the years. It is known all across the country; it is no secret. It would appear to be the opinion of the minister that any government, Cooperative Commonwealth Federation or otherwise, operating a system of government-owned banks, would staff those banks with political appointees. Any government that followed this procedure would be committing political suicide; and I believe any government, C.C.F. or not, that undertook the operation of a government-owned banking system would be sufficiently intelligent to see that a procedure which might be followed when dealing with the appointment of a game warden or a dog-catcher would not apply in the appointment of officials to run a bank. I noted that the minister did not condescend to use the argument which I have heard used by others against a publicly-owned banking system; that is, that the money of the depositors would not be secure in a government-owned bank. I do not think that argument is worthy of consideration in this parliament, and I was pleased that the minister did not use it.

In his eagerness to support the present banking system, in my opinion the minister went out of his way to undermine the confidence of the public in much of the work being done to-day by some of his own departments. His tirade against government control, against government bureaucracy, cannot assist the officials of many of the departments that the minister is entrusted with administering, cannot assist them in the administration of their duties and serve any good purpose except to undermine public confidence in the work of these officials of his own department.

I think the minister's speech, and the provisions which the government proposes to bring into effect, show much more clearly than I can those spheres in which our present banking system have failed society. As has

already been pointed out, the government now finds it necessary to institute an Industrial Development bank. The government finds it necessary to go to the aid of the farmer, the fisherman, the exporter and other classes of society, who for one reason or another, will not be able to find funds available from the banks and other lending institutions. It looks very much as though the taxpayers are to be saddled with all the unprofitable part of the money-lending business and that the banks, under the minister's department and direction, are to be left with the profitable part of that business. I wish to assure the minister that the people of this country are not half as much concerned about maintaining the profitable part of their business under the control of the banks as he himself appears to be.

The hon. member for Rosetown-Biggar (Mr. Coldwell) dwelt at some length upon the extent to which the profitable part of the banking business is now the lending of money to various governments, federal, provincial and municipal. If the minister is determined to maintain the present banking system, and if he is proposing to introduce certain amendments, in order to provide means whereby credit can be made available to new industries, to fishermen, farmers, exporters and others, might I suggest that he consider at the same time making credit available at a lower rate of interest to the municipalities. The municipalities have been fleeced by the banks and financial institutions for many generations. Many of our municipal laws are such that they work to the advantage of the banking system. For instance, we have municipalities which have funds available in one department, but they cannot use those funds to cover the expenses of another department. They must borrow from the banks to finance those obligations until such time as current taxes are collected.

Mr. ROEBUCK: Is that not provincial law?

Mr. NOSEWORTHY: If the municipalities are to bear their share of reconstruction and embark upon housing and other programmes there is need for the federal government to make funds available to them at the interest rate at which the federal government can borrow, without requiring the particular municipality to pay twice the rate at which the federal government can secure those funds. Some such adjustment is needed.

In conclusion, I wish to say that the test of a successful banking and financial system, as I see it, is not solely the test that the minister gave. When the war ends, our financial structure must become an instrument for waging total war in this country against poverty, insecurity and fear. I am satisfied that even under the Bank Act, with amendments proposed by the minister, that function will not be served, cannot be served, without the nationalization or the socialization of the banks.

Mr. FRED ROSE (Cartier): I had not intended speaking on this bill—

Mr. ROSS (Souris): You do not have to.

Mr. ROSE: —but somehow it has been speeded up a bit. I shall therefore make a few remarks in order to explain why I voted the way I did. I voted against the sub-amendment for the plain and simple reason that I believe to place all the ills of the world on money is a bit childish. We are told that the crisis of 1930 was due to money. Everything is money. All that we have to do is to allow a lot of paper to flow and we shall be all right. Some hon. members spoke very nicely about international finance, a phrase which some of them borrowed from Major Douglas, who, of late, has improved the phrase of "international finance" and now calls it "international Jewish finance." I would say, therefore, that no responsible person in the labour movement could try to solve all of the problems of Canada with money.

Mr. JOHNSTON (Bow River): Because of what you have just stated?

Mr. ROSE: Just a moment. We had a crisis because capitalism failed; there was overproduction and people had nothing, and could not buy goods.

Mr. BLACKMORE: They needed more money.

Mr. ROSE: Just a moment.

Mr. JOHNSTON (Bow River): You are getting in a bad spot.

Mr. ROSE: No, I am not. The people could not buy because there was no work anywhere. There were no international markets.

Mr. BLACKMORE: They had no money.

Mr. ROSE: I shall come to that. There was nothing. They had no work at home. I would agree with a number of speakers who put the issue squarely before the house. They said that we must have jobs. I agree. We must have jobs guaranteed to everybody after the war. That is problem No. 1. The workers say: "Give me a job." The worker does not give a hoot where the money comes from. He does not care whether it comes from a private bank or from a central bank. He wants a job and he wants it at decent wages. That is

problem No. 1. Let us not try to run away from that problem by finding some magic solution, by playing around with money, paper money or any other money.

We come now to problem No. 2. One of the hon. members used the phrase, "Nationalization of banks"; another hon. member used the phrase, "Socialization of banks." Let us not play with phrases. On the basis of those phrases people are supposed to stand up and vote. When I did not stand up to vote a neighbour to my right turned to me and said in effect, "What has happened to you?" I am no abstract dogmatist. I contend that jobs come first, and that is the big problem. To use the issue of socialization of banks at this time is all wrong when the vast majority of the Canadian people have indicated by a recent Gallup poll that they are not willing to accept such banks.

The key issue at the present stage of the war is not to play into the hands of those who want to make an issue of socialism in order to oppose reform. Let us stand up for reform in this house; let us collaborate. That is the issue to place before the people. The issue is not socialism or the socialization and nationalization of banks; it is a question of reform.

An hon. MEMBER: Is that not a reform?

Mr. ROSE: That is a drastic one. The Labour party of Great Britain have been speaking of the nationalization of mines for how many years? They have still to nationalize the mines. I would say that the problem of the socialization of banks is somewhat similar to the nationalization of mines as it was promised by the British Labour party. The fact is that they have not gone very far.

Reference has been made to New Zealand. That country does not have a very highly developed capitalist system. It has a population of about a million and a half people. They have not as yet nationalized the banks and the fact that some of the people there are saying that they will do something does not mean that they will. Let us be realistic about the problems.

If there is something wrong with bill No. 91, I should like to see my hon. friends of the Cooperative Commonwealth Federation show where improvements can be made. That would be a much healthier approach to the problem. Instead of talking about farm loans, we should have a bank for agricultural loans. If that were suggested, I would be one of the first to vote with my hon. friends to my right. If they will bring forward a concrete proposal in connection with the industrial bank I will support it. In that bill on the industrial bank it is suggested that loans will be given to shipbuilders, but I do not consider them as being small industrialists. Loans should be available for small storekeepers. It should be possible for men in the army to come back and open up little stores. I would be 100 per cent for that. I have heard nothing said about how these men will be able to get easier credit. To put out propaganda slogans about socialization of banks at this time will in the long run tend to divide the people.

Some will say where are you to get the jobs? I admit it is going to be a hard problem. Others will ask, where will you sell the goods? I should like to refer to a clipping which I had in my office.

An hon. MEMBER: What is it, more propaganda?

Mr. ROSE: It is much more realistic than talk of easy money. This clipping is from the Montreal *Gazette* of Saturday, and it contains a story written to the New York *Times* by C. Daniel, pointing out that the United States bank had underwritten 2½ billion of goods to be sold to the Soviet Union. That is a lot of money. I believe that the yearly total of United States exports before the war were valued at about $3 billion, and here are 2½ billion being underwritten by private banks to one country. If they want to do that, let them go ahead.

Mr. DOUGLAS (Weyburn): Who is guaranteeing it? It is the working people of the United States.

Mr. ROSE: Have you any objection? It is the men who will get the jobs and they have no objection.

Mr. DOUGLAS (Weyburn): I object to your giving credit to the banks under this new party line.

Mr. ROSE: The party line is a different problem and we will discuss that later. The article says that the British are also interested. Where do we come in? Here is what *War and the Working Class*, a Soviet journal, has to say:

> Trade with the Soviet Union can doubtlessly be profitable for England, the United States, Canada and other countries.

Yes; we can do something. I need not mention only the Soviet Union. What about China? Let us help to industrialize China. There was a labour representative from India at the International Labour Office convention at Philadelphia. He said, "Help us to industrialize ourselves; help us to gain freedom, and you will see what it will mean to you from the point of view of work for your people." Let us be realistic; let us not run away on the question of the issue of money.

I do not vote on the basis of catch-phrases or propaganda slogans; I vote on the basis of what is realistic. If there were an amendment that would bring about improvements, I would be in favour of it, but when you talk only of socialized banks or national banks I am not prepared to vote.

An hon. MEMBER: What is your alternative?

Mr. ROSE: If the bankers want to carry on, let them carry on. But if they fail, let the government step in. The government has started with an industrial bank and we should have other similar banks to make credit easier in order that the people may carry on. That is a problem. If private enterprise fails, let the government step in. The government should not be merely a passive bystander. The people are not prepared for socialization of banks at this time, and they can be scared by slogans used by reactionaries and be turned against those who mean well. People like Gladstone Murray and others can still turn the people against those who may mean well, and the result will be that the people will go to the other extreme.

I did not vote either for or against the sub-amendment because I could not understand this sudden wedding of two parties. The one had just got up and attacked socialism while the other wanted socialism. If it is merely a question of opposition for the sake of opposition, then I say that is not in the best interests of the people at the present time, nor is it in the best interests of the people in the near future.

Mr. E. G. HANSELL (Macleod): Mr. Speaker, it is refreshing to know that the Liberal party are gaining some support.

Mr. ROSE: Why should the Conservative party have a monopoly?

Mr. DOUGLAS (Weyburn): Also the banking monopoly.

Mr. HANSELL: The hon. member for Weyburn says, "Also the banking monopoly". I had not intended speaking to-night and many of us seem to be riding in the same boat. This debate which promised to be lengthy is apparently on the verge of folding up. I was not rushing myself in preparing for this, thinking there would be other long-winded speakers desiring to speak between now and the end of the week, and I would, therefore, have plenty of time to gather my notes together. But here I am having to explain myself extemporaneously with a few little pieces of scrap notes.

I feel it is necessary for me to say something before the amendment is voted on. I should like to say something which my hon. friend who has just preceded me may think rather illogical. To all intents and purposes I do not believe in nationalism, but I am going to vote with my hon. friends of the Cooperative Commonwealth Federation. I think it was the speech of the hon. member for Weyburn that convinced me that he was gradually becoming a pretty good social crediter.

Mr. McNIVEN: He was in 1935.

Mr. HANSELL: I understand that the hon. member for Weyburn was rather charmed with the social credit philosophy a few years ago. I have always maintained that when once a man becomes a social crediter by conviction, he will always remain a social crediter. It is something that gets within his blood and becomes not merely an economic philosophy but a philosophy of life.

I said that I was going to vote for the amendment, Mr. Speaker, because, as I said last year, I really do not believe that it matters very much who owns the banks. The big question is, who is to control the banks? The passing of the ownership from one party to another or from one corporation to another or from the hands of the bankers to the government does not alter the policies of the banking system, and it is the policies of the banking system that we need to change. Therefore it would seem to make no particular difference to me personally whether the banking system is nationalized or not. What I want is effective control over the banking system for the issuance of currency and credit in terms of public need. That is something which our Prime Minister (Mr. Mackenzie King) promised a few years ago but which he has never seen fit to accomplish. I am going to quote Major Douglas in connection with the nationalization of the banks. He made a speech at Oslo, Norway, in 1935, in which he said:

> The institution and keeping of the national credit account does not require any nationalization of the banks. As a matter of fact, such nationalization would be a great mistake. I am not myself, for instance, an advocate of the nationalization of banks. I believe this again to be one of those misapprehensions so common in regard to these matters, for the nationalization of banks is merely an administrative change: it does not mean a change in policy, and a mere administrative change cannot be expected to produce any result whatever in regard to this matter. A change in monetary policy can be made without interferring with the administration or ownership of a single bank in the world.

I regard Major Douglas, notwithstanding what the hon. gentleman who preceded me said, as one of the greatest economic minds of the age. As the hon. member for Acadia

(Mr. Quelch) said to-night in quoting Major Douglas, he did say that the day may come when it may be necessary to nationalize the banks, but he suggested that before they are nationalized there must be a change in the banking system itself and in the policy of banking. That is quite reasonable because, if there is no change in the policy of banking, it does not make any difference who owns the banks. The chief function which I believe is required of the banking institutions of a nation is to see that the national income, or shall I say the money in the hands and the pockets of the people, is sufficient that it is able at all times to buy all the goods and services that are available in the nation. The thing I want to know in connection with the banking institutions, and what concerns me in connection with their nationalization, is this: Are we to have any more money? That is the thing. I will answer in a moment the hon. gentleman who preceded me and said that nobody wants a lot of paper floating around as money. But what I am pointing out now is that we want to know whether the banks are going to provide the nation with money enough to buy all that the nation produces. The nationalization of the banks is the same as the nationalization of anything else. A gentleman asked me on one occasion why we did not nationalize the oil fields out in Alberta. The important thing I told him was: Are we to be able to buy the gas and oil when the oil fields are nationalized? Let me picture it for you, I said. A man who believes in nationalizing or socializing the oil fields comes along and says: "We will socialize all the oil fields. I am a good socialist and it will be an extremely fine thing to know that the people own the oil fields." So the oil fields are nationalized. He comes along and sees the oil men drilling for oil and says, "It is great to know that the wells belong to the people." Then later on he sees the oil going to the refinery which has been built out of the people's money, and perhaps he had to pay a little in taxation for the building of the refinery. He sees the oil being refined and the oil and gas coming out and transported to a gasoline station. He says, "That is great. Just think; all this belongs to the people!" The next day he drives his car to a gasoline station and says to the attendant, "Fill her up. It is great to know that all this gas and oil belongs to the people." The attendant fills the car with gas and the man starts to drive away, but the attendant shouts after him, "Hi, mister, come back here; you have forgotten something." "What did I forget?" asked the man. "You forgot to pay for your gas", said the attendant. "Oh", said the man, "why should I pay for it? I thought it belonged to the people."

I give that only as an illustration. The point is that it does not make any particular difference to me particularly who owns the means of production or who owns the banking institutions. What we want is the wherewithal to buy what the nation produces. What we want is the wherewithal, which can only come from the banking institutions. We claim, and I think rightly so, that we must have consumers' purchasing power if we are to consume all the goods that our nation is able to produce.

My hon. friend talked about the false philosophy of printing money. He may, if he wishes, disagree with the logic of some hon. members, but I am going to suggest that when he comes to deal with monetary technique he certainly has need to study it more deeply. I am going to read something from a book published by Major Douglas, entitled, "Warning Democracy", in which he says at page 133:

> There is such a remedy. It is not the easy one which might at first occur to you of merely printing more bank notes, since unfortunately that is a method which defeats its own end. The method is a technical one. It consists in a simple adjustment, by the use of the technique of credit, of the relation between the average price level and the available purchasing power; and, under existing conditions, the responsibility for making this adjustment most undoubtedly rests with the banking system.

I quote that to my hon. friend to show that the highest authority perhaps on the philosophy of social credit does not advocate the printing of more money. What he says is that there must be a credit relation between the average price level and the available purchasing power. He further says that under the present banking system the banks have that responsibility.

I say to the Minister of Finance (Mr. Ilsley) that I see no great change in the new bank bill. I agree with the hon. member for York-Sunbury (Mr. Hanson) when he stated this afternoon that the bill includes no vital change. If that is so, the responsibility of equating consumption with production by issuing enough money and putting it into the pockets of the people must rest with the present banking system.

A year or so ago I was at a meeting at which representative social crediters of Alberta were present, including the members of the legislature and the ten members of parliament, and we devised a series of resolutions which we thought would give us a picture of our post-war needs. For the purpose of financing post-war reconstruction we passed a resolution from which I will read. For the sake of

brevity, I will omit the "whereases", the description of the present system and the failure of the banks. The declaratory portion of the resolution was as follows:

Therefore be it resolved that the entire programme of post-war reconstruction, covering all spheres of the national life, should be financed in accordance with the following provisions:

(a) The control of the monetary system and the issue of all currency and credit shall be vested in a national monetary commission responsible to the people through parliament.

I claim that if that proposal were adopted it would not be necessary to nationalize the banking system.

(b) All government expenditures, whether for capital development, social services, security measures or any other purpose shall be financed by the issue of money by the national monetary commission without debt to the nation. Taxation shall be used for the sole purpose of withdrawing surplus purchasing power.

May I digress to say that, even though this bank bill should pass, and we know it will, no fundamental change will be made in the present banking system. I say to the Minister of Finance—and he knows the truth of what I am going to say, for a schoolboy could say it—that so long as a high rate of income taxes and, if you will, corporation taxes exists, there will be less money in the people's pockets wherewith to buy the goods which are available. That is one reason why in that section of the resolution we claim that taxation should be used for the sole purpose of withdrawing surplus purchasing power.

(c) Adequate monetary supplies shall be made available for financing construction programmes, with due regard to maintaining a proper relationship between capital production and the production of consumers' goods.

(d) Proper and scientifically adjusted safeguards shall be instituted to avoid both deflation and inflation, to ensure an orderly price structure, and to provide an adequate and equitable distribution of purchasing power.

(e) All the foregoing shall be carried out without interference with the freedom of the individual citizen.

It seems to me that if that were adopted the banking institutions would not have to be nationalized, but they would have to be willing to take instructions from what is known here as the monetary, or credit, commission, which would investigate yearly and report to parliament all the intricacies of the financial system as it is operating from day to day.

According to the law the revision of the Bank Act takes place only once every ten years. A lot can happen in ten years, especially while we are moving in a very fast, progressive age. If a monetary commission were set up to deal with monetary matters, hearing at all times and any time cases which came to them from any financial expert who wished to give evidence, the necessary instructions could be issued from time to time. That would keep the banking system in such a state that it would progress with the general progress of the years. Personally I believe that would be a far better proposal than the nationalization of the banks.

My hon. friend who preceded me suggested that we were inclined to blame money for everything, and said that the one thing which is essential is that everybody shall have a job. I do not criticize the idea of everybody having a job; I like to see people doing the things they wish to do, but there is one fundamental principle of monetary technique of which my friend is evidently not aware. It is this, that out of the process of production, from the time the raw materials are gathered together until the finished article is on the shelves for sale, there is never enough money coming into the hands of consumers to buy back all the goods at the prices at which they are for sale. Even though there were no profit there still would not be sufficient money, because there are production loans fed to the producer which have to be paid back. He has to pay depreciation costs, certain taxes, interest, and a lot of other things, and by the time all these are paid there is not enough money coming from the process of production to buy back all the goods produced. It does not make any difference, therefore, if everybody has a job; if that is the only way you have of putting money into the people's pockets, eventually your goods will pile up and people will be thrown out of work again. That is the particular technique which my friend did not realize.

When the hon. member for Lethbridge (Mr. Blackmore) kept telling him that you had to sell your goods and that you could not sell them unless people had money in their pockets, my hon. friend said, "I will tell you where to sell your goods. You will be able to sell them to a foreign country", and he cited Russia. No one wishes more than I do to have an equitable balance of trade with Russia, with China and with any other country. But my hon. friend evidently thinks that when you export a couple of billion dollars' worth of goods to another country that country immediately sends us a couple of billion dollars which we can then spend to buy our own production. That is not so. My hon. friend must know that the only way in which one country can pay another for the goods it receives is to ship goods in return. If goods are received by us in payment, some of our own people are going to be out of work. So that his philosophy of jobs is a wrong

philosophy. I should like to see everyone at work, but in addition to that you must put into the pockets of everybody a further amount of purchasing power to buy back all that you are able to produce. If that social credit technique were followed you would have the highest standard of living it is possible for a nation to have, the highest standard of living that your productive capacity is able to give you.

The other day I was talking with a gentleman who was in the banking business—well, I should not say that he was in the banking business; he worked in a bank. I asked him one question: What is the purpose of an economic system? Well, he stumbled for a while. I do not suppose he had ever asked himself that question. I said, "It is very easy to answer that question. The purpose of an economic system is that people may live, and the purpose of a right economic system is to give people the highest standard of living." He said, "What do you mean?" I said, "Is there any reason why people should not own their own homes?" At once he replied, "You do not mean that every one should own his own home, do you?" I said, "Why not?" He said, "Do you mean that we should give everyone enough money to buy his own home?" I said, "I did not suggest that we should hand it out exactly in that way, but if there were an additional amount of purchasing power coming to all workers, to the aged, the sick or whoever it might be who was in need, there would be that additional purchasing power which would give us the highest standard of living, homes and everything else." He did not understand that it was possible for everybody to have his own home and, in fact, anything that the country is able to produce.

That is the purpose of an economic system. Why should we live in scarcity, with thousands of people in the bread-line; why should we live in apparent poverty, all because we do not manage properly our economic system, all because we do not bring proper arrangements to bear upon our banking system, all because we do not say to the banker, "This is your responsibility and if you do not meet it we shall have to change the system"? That is something that our governmen seems reluctant to do. The Minister of Finance, when speaking the other day—I have not the exact words, but I think I am quoting him correctly—said that the depression of the thirties was the result of the last war.

Let us see if that is so. I do not know whether he can answer that point to satisfy me; but with this nation's shelves stocked high with goods, with storekeepers standing at their doors waiting for customers to come in, not being able to sell their goods, and with thousands of people in Canada going to the relief offices, and if they wanted an extra pair of shoes going to the Red Cross, are you going to tell me that a peculiar anomaly of this sort was the result of the war? Personally, I cannot see that it is.

It seems to me to be a very simple problem. What these people wanted is money. We all recognize this, and it has been mentioned a good many times, that when this war broke out there was money. Why should not money have been produced before, in order that people might be able to buy the goods on the shelves? To tell me that it was the result of the last war seems perfectly futile. If the depression of the thirties was the result of the last war, the minister comes along now and does not change the Bank Act materially, and therefore the question arises, what is going to happen after this war? Surely if the condition I have described was the result of the last war, and if the system is not changed, the same thing will be true following this war. Indeed, as the hon. member for Vegreville (Mr. Hlynka) and the hon. member for Cape Breton South (Mr. Gillis) say, it will be four times worse. It cannot help being four times worse.

These are the things we have to face. This parliament is here to change the legislation. We know it is of no use for any private member or any group in the opposition to bring down legislation, because it has not the ghost of a chance of being passed. The government is the only body of people that can bring down legislation, and it is the responsibility of the government to change the existing legislation, so that the banking system will fit into that new legislation in order to bring about the desired effect. If the government is not going to change the legislation, then the banking institution will go on as it has done throughout the years.

There is the alternative which my hon. friends of the C.C.F. propose, namely, to nationalize the banks. It does not make any difference who owns the banks; the government could simply say, "We are going to control the policy of the banks and set up a commission in order that the policy of banking in Canada shall be such that this Canadian people will get the results they desire."

I am going to vote for the amendment, although under existing conditions the government is responsible for the entire monetary policy of Canada.

On motion of Mr. Nicholson the debate was adjourned.

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

Tuesday, May 9, 1944

The house met at three o'clock.

ELECTRIC POWER

TABLING OF NOTES RESPECTING WATER DIVERSION AT NIAGARA

Hon. L. S. ST. LAURENT (Acting Secretary of State for External Affairs): Mr. Speaker, I wish to table some notes recently exchanged between the governments of the United States and Canada with respect to diversion of water at Niagara for power purposes, and to make a short explanation to the house with regard to the present state of Niagara diversion arrangements.

Notes between the Canadian government and the government of the United States were exchanged at Washington as of May 3, to provide for an additional diversion of 4,000 cubic feet per second of water at Niagara for power purposes. Prior arrangements providing for the production of additional hydro-electric energy at Niagara for war purposes are embodied in a series of agreements which were evidenced by exchanges of notes.

The earlier notes thus exchanged were tabled in this house from time to time. All these increased diversions of water are subject to reconsideration on the first day of October in each year. The previous arrangements also provided for the construction of remedial works. Accordingly the United States-St. Lawrence advisory committee and the Canadian temporary Great Lakes-St. Lawrence basin committee prepared recommendations, which were approved by both governments, regarding the exact nature and design of the remedial works.

The Canadian government arranged with the Hydro-Electric Power Commission of Ontario for the latter to do the actual construction work, and it is now nearing completion. It has been even more effective than had been expected, both in adding to the efficiency of the power developments and in preserving and improving the scenic beauty of the falls. The new exchange provides that this additional diversion, for power purposes, of 4,000 cubic feet per second shall be made on the Canadian side of the Niagara river. Most of the additional energy will however become available for use in the United States. There is no new question of export of power involved, as this additional electrical energy will come under the provisions of the previous arrangements.

The new diversion arises out of a request from the United States government, but, as the diversion is on the Canadian side, the arrangement takes the form of a note from the Canadian Ambassador to the Secretary of State and a reply constituting an agreement.

Copies of the notes exchanged in English and in French are now tabled for the information of the members of the house.

Mr. HANSON (York-Sunbury): I should like to ask the minister why a major portion of the power is going to the United States, and just what is the executive authority to enter into an agreement of this nature without the consent of parliament.

Mr. ST. LAURENT: There is no agreement entered into by this government with the government of the United States with respect to the use of power. As a matter of fact the power is developed by the Ontario hydro-electric power commission. It has export permits for power—not continuous power, but power that is not being used on the Canadian side.

Mr. HANSON (York-Sunbury): For off-peak load.

Mr. ST. LAURENT: The situation on the American side is that they have steam plants wherein they produce power by the use of coal; but they can at any time use whatever electrical energy is available, and thus conserve coal. Under the arrangements evidenced by the notes, the government of the United States will make no objection to the diversion of 4,000 additional cubic feet per second of water which will flow through the machines of the Ontario hydro-electric power commission.

Mr. HANSON (York-Sunbury): And they get the power.

Mr. ST. LAURENT: It will make the power available, and if it is in excess of what is actually being used on the Canadian side it will be absorbed in the boilers on the American side. The only pecuniary or financial interest of the federal government is in the fees paid for the export permits on the measured quantity of power that goes out.

Mr. HANSON (York-Sunbury): That is only a bagatelle.

Mr. ST. LAURENT: That is only a bagatelle. Whatever financial benefit there is will be derived by the Ontario hydro-electric power commission as vendors of the power not actually in use on this side.

Mr. MacNICOL: I am glad to notice that the minister seems to know a great deal about diversions. Is this 4,000 cubic feet per second in addition to the previous 5,000 cubic feet

per second allowed the Ontario hydro-electric power commission as a result of the diversion of waters from the Ogoki river?

Mr. ST. LAURENT: It is in addition to the quantity already being used by the hydro-electric development to compensate for additional water brought from the Hudson bay basin to the great lakes basin.

Mr. MacNICOL: Before we were allowed to divert that, we permitted the United States to divert an additional 5,000 cubic feet, so that they are going to get 5,000 and 4,000 cubic feet?

Mr. ST. LAURENT: They will not get an additional diversion. The additional diversion will flow through the hydro-electric plant on the Canadian side.

Mr. MacNICOL: That is the 4,000 cubic feet per second?

Mr. ST. LAURENT: Out of that they will get such power as is not absorbed by whatever load the hydro in Ontario may have on its system. They get this, sometimes for very short periods and sometimes for longer periods. When I say "very short periods" I refer to the fact that during the lunch hour they would get power not being required for the operation of the Toronto tramways system. That off-peak power flows into the boilers and saves other fuel.

PRIVATE BILLS

VANCOUVER, VICTORIA AND EASTERN RAILWAY AND NAVIGATION COMPANY, THE NELSON AND FORT SHEPPARD RAILWAY COMPANY AND GREAT NORTHERN RAILWAY COMPANY

Mr. THOMAS REID (New Westminster) moved the first reading of bill No. 102, respecting Vancouver, Victoria and Eastern Railway and Navigation Company, the Nelson and Fort Sheppard Railway Company and Great Northern Railway Company.

Mr. GRAYDON: We ought to have an explanation.

Mr. REID: This bill arises out of an agreement entered into between the Vancouver, Victoria and Eastern Railway and Navigation Company and the Nelson and Fort Sheppard Railway Company and Great Northern Railway Company. The Vancouver, Victoria and Eastern Railway and Navigation Company and the Nelson and Fort Sheppard Railway Company were set up under provincial charters long years ago. Following that they were declared to be works for the general advantage of Canada and so came under dominion statutes or regulations of the federal parliament. That was back in 1893 and 1897. Following that the Great Northern Railway Company obtained a ninety-nine year lease from both these other railroad companies, as well as some running rights over the Canadian National and Canadian Pacific railways. Later on they acquired and now own all the shares of both the first mentioned railroads. The bill proposes to ratify the leases and to allow the Great Northern Railway Company the right to effect total ownership. The bill also provides for an agreement covering running rights over some small sections of railroad belonging to the Canadian National and Canadian Pacific Railways.

Motion agreed to and bill read the first time.

FIRST READINGS—SENATE BILLS

Bill No. 103, for the relief of Margaret Millar Short.—Mr. McIlraith.

Bill No. 104, for the relief of Mary Annesley Iverson.—Mr. Factor.

Bill No. 105, for the relief of Annie Drewniak Sonberg.—Mr. Macdonald (Brantford City).

Bill No. 106, for the relief of Celia Zlatkes Azeff.—Mr. McIlraith.

Bill No. 107, for the relief of Louisa O'Tool Shelley.—Mr. Factor.

Bill No. 108, for the relief of Miriam Schwartz Silcoff.—Mr. Macdonald (Brantford City).

SIXTH VICTORY LOAN

ADDRESSES IN CAMPAIGN OF MEN ON OPERATIONAL LEAVE

On the orders of the day:

Mr. JAMES SINCLAIR (Vancouver North): Mr. Speaker, I should like to address a question to the Minister of National Defence for Air or his parliamentary assistant. This question is of immediate importance to quite a number of very gallant airmen who are now on operational leave in this country. One of the most gallant of these is Wing Commander Bill Swetman, D.S.O., D.F.C., a veteran of over sixty operational flights over Germany. He is now making speeches in the Toronto area in connection with the victory loan campaign, and he is reported yesterday as having said that "he wasn't trained to give fancy speeches but to fight. When he and others like him came home on leave after a tour of operations—they get thirty days—they wanted to spend it with relatives—not making speeches to persuade people to buy bonds." If people have to be persuaded to buy victory bonds perhaps it is better that we use men like this, who have fought actual battles in the air over Germany, rather than painted actors and actresses who fight their battles on the

screen or in the divorce courts. I should like to know from the minister or his parliamentary assistant if men like this who are home on operational leave and who speak in victory loan campaigns will get extra leave to make up for the time they give.

Hon. CYRUS MACMILLAN (Parliamentary Assistant to the Minister of National Defence for Air): An airman's leave period is not curtailed by reason of the fact that he gives some time to victory loan committees or to other patriotic services. His regular leave period is extended by the length of time given to such services.

Hon. J. L. ILSLEY (Minister of Finance): May I just say one word about actors and actresses? The impression given in the paper was that these ladies and gentlemen receive pay for their services in Canada. That is not the case. They give their services free, and so far as my experience goes they are more than anxious to do something to assist the war effort.

Mr. SINCLAIR: So they should.

Mr. ILSLEY: I deplore any remarks that depreciate their services, because they are voluntarily given, in a way in which they can best contribute to helping the war effort of the united nations.

INTERNATIONAL FINANCE

BANK FOR INTERNATIONAL SETTLEMENTS

On the orders of the day:

Hon. J. L. ILSLEY (Minister of Finance): Mr. Speaker, yesterday the leader of the opposition asked me a question about the Bank for International Settlements. He asked specifically whether the Bank of Canada is a member of the Bank for International Settlements and, if so, whether it is the policy of the government to have the Bank of Canada, under the present circumstances, represented at this meeting. He asked further if the Canadian government or the Bank of Canada have any deposits or any financial interest of any kind in the Bank for International Settlements.

The Bank of Canada is not a member or shareholder of the Bank for International Settlements and has no deposits with that institution. Accordingly, the Bank of Canada will not be represented at the annual meeting of the Bank for International Settlements.

As a result of the so-called Young plan, an agreement was reached in 1930 for the definite settlement of the reparation liabilities of the German government. Under the agreement the various governments that were creditors of Germany appointed the Bank for International Settlements their joint and sole trustee to receive, manage and distribute the annuities payable by Germany. To remunerate, in part, the Bank for International Settlements, these creditor governments agreed to leave on deposit with the Bank the sum of 125 million reichsmarks without interest. The share of the British empire of this deposit was 26,587,500 reichsmarks. Canada's share of the British empire's interest in reparations is 4·31089 per cent. There was therefore deducted in 1930 from the amount that Canada would otherwise have received in reparations the sum of 1,146,159 reichsmarks ($272,785.84 @ 1 reichsmark equals 23·8 cents), being Canada's percentage of this non-interest-bearing deposit.

BANK ACT AMENDMENT

CONDITIONS GOVERNING TEN-YEAR EXTENSION OF BANK CHARTERS

The house resumed from Monday, May 8, consideration of the motion of Mr. Ilsley for the second reading of bill No. 91, respecting banks and banking, and the amendment thereto of Mr. Coldwell.

Mr. A. M. NICHOLSON (Mackenzie): Mr. Speaker, I think it was unfortunate that the Minister of Finance (Mr. Ilsley) made the type of speech which he did when introducing this bill a week ago. The member for York-Sunbury (Mr. Hanson) attached some blame to the minister's parliamentary assistant for advice that was given, but I was inclined to think that possibly the minister's associations with friends south of the border while he was on holiday might have been responsible for his change of attitude. I think I speak for members of the house when I say that no member of the government has grown in stature to the same extent as the minister has since taking over his very important responsibilities, and certainly no minister of finance has ever been able to capture the imagination of the Canadian people to the same extent that the present minister has done. I think all he needed to have said last week was that his government had not been elected to socialize the banks; that if the people of Canada wanted to have legislation of that sort enacted they must elect a C.C.F. government in this dominion, but that until that time came he proposed to follow the traditional methods. Then he could have proceeded to outline the unimportant changes that are to be brought about by this bill. But for him to take time out to speak as he did, in the midst of the victory loan campaign, did not in my opinion serve any useful purpose or the public interest.

There are many people in this country who certainly do not share the views which the minister expressed last Tuesday.

The Minister of Finance has introduced some very unorthodox ideas in war finance since the war started, and I think he was right in doing so. Price controls, rationing, priorities, the foreign exchange control regulations are all very unorthodox. Those who believe in free enterprise would not expect that a free enterprise government would interfere with personal liberties as the Minister of Finance has done. I know that he had to overcome a good deal of opposition before he could put some of these measures into operation. Let me remind the house of the views that were expressed by the Right Hon. Arthur Meighen when he was leader of the Conservative party in the other chamber. He was complaining of the excess profits tax, and said:

> Human nature is the same in war time as in peace, and instead of helping the war effort you are defeating it by stripping people of the stimulus to toil and run their business right. Leave the incentive and make the reward greater, the greater the toil and the greater the success. You do not do it under this bill.

Then listen to this:

> I do not exaggerate at all when I say that I have had business men by the dozen tell me that they are leaning on their oars; they have nothing to work for. They say: "We might just as well take it a little easier now, for we are only working for taxes anyway."

But in spite of this opposition the Minister of Finance felt that if Canada was to make her greatest contribution in prosecuting the war, the opinions of Mr. Meighen and his friends must be ignored. I think it would be a great calamity if at this stage the minister should soften and decide that those who would like to make greater profits should be given greater freedom, that we should have no price controls, that the sky should be the limit. So that having already introduced unorthodox methods in the carrying on of the work of his department I think it was unfortunate that the minister made some of the remarks he made the other day. His attack on the bureaucrats will, I am sure, give to a great many people the idea that in the wartime prices and trade board political pressures were being brought to bear to get special consideration. I think it would be unfortunate to let that impression get abroad, or the impression that after the minister has tried his best to get the Canadian people to cooperate in maintaining the price ceiling and avoiding black markets, in the administration of these controls political affiliations are taken into consideration by men selected by this administration. It would be unfortunate if the impression should get abroad that when a letter comes to the board from, let us say, Swift Current, Donald Gordon has to ask the Minister of Finance whether the writer is a Liberal, or a Conservative. I am sure that that does not happen, and it was unfortunate that the minister should imply that if we were to have public ownership and control of the banks in this country we could not expect to have them administered in a way that would be in the best interests of the largest number of people.

A good deal of time was taken by the minister in attempting to defend the banking system in this country. He pointed out at page 2540 of *Hansard* that it was a travesty of economic interpretation to place responsibility for the great depression upon the Canadian banking system. I do not think anyone in this house has ever placed the blame on the Canadian banking system. But I think it also is obvious that the banking system that was in operation in Canada was not able to prevent the depression, and that the governments in office at that time in Canada were not able during the depression years to organize our economic life so that every able-bodied person would have a chance to work and so that the resources of the country could be developed by the people.

More recently the minister has announced—and this is a revolutionary theory so far as governments in this country are concerned—that as long as the war lasts, whatever is physically possible is going to remain financially possible. I think to a very large extent that policy has been acted upon. But before the war neither Liberals nor Conservatives were able or willing to carry out that sort of policy. In passing, I should like to hear from the Progressive Conservative party some more constructive suggestions than were heard yesterday from the hon. member for York-Sunbury (Mr. Hanson). He spoke at considerable length, but I think few members of the house had any clear picture when he finished as to what might be expected from the Progressive Conservatives if they were in office. Possibly they are hoping that they can ride into office, with John Bracken milking cows across the country, on the unpopularity of the present administration, but I think they misjudge public opinion if they expect to get back into office on the mistakes of the present government in war time.

As prime minister during the early thirties we had the Right Hon. R. B. Bennett, a man who had made an outstanding success in business and professional fields, and in Saskatchewan, where I lived, we had a Conservative administration; but we found it impossible in those early thirties to get the

banks to make available currency and credit so that we could have full employment. We found it impossible to get our governments to launch policies which would make sure that those who wanted to do useful work should have the chance to do it.

I have some returns which were supplied to me by the Department of Labour on June 26, 1940, showing the amount of credit which was made available to some of the farmers who went north while Mr. Bennett was prime minister of this country. Federal and provincial funds were used, and the banks were asked to cooperate in solving this unemployment problem. I have selected the cases of three men because they happen to be veterans of the last war, men who fought for freedom. They had committed no crime. They happened to be carpenters, living in the city of Regina, who did not wish to be on relief, and they were encouraged to go north. The total expenditures which could be made by Mr. Bennett's government and the Anderson government to reestablish a family in one year were $300. One of these settlers has also served in the present war, having gone overseas twice in his lifetime. He was obliged to live in a house which cost $47.85. The items are broken down here: $5.45 for the windows; $5.85 building material, $31.55 lumber, $5.27 for tar paper. His groceries for a year cost $10 per month. As for his stock and implements, he was given a mower and rake which cost $25, fifteen hens costing $7.50, a horse, $25; and three bales of hay, $2.25. During the entire year this veteran of the last war received from federal and provincial funds and the chartered banks of Canada $265.15. Another returned soldier got $285. Another one, with a larger family, did a little better; he received $308. I should have thought it would have been recognized in the early thirties that it was in the public interest to feed, clothe and shelter the citizens in all parts of this country. Two of the boys who were living on the allowance of ten dollars per month are now in the armed services. It is not any wonder that since they joined the army, dentists had to be assigned to them to put their teeth in order, and that they had to have extra food so that they might be built up to do their job.

I mention these cases to indicate that during the thirties the banks of this country were unable or unwilling to make credit available to enable settlement programmes to be carried out so that the people participating would have proper houses, decent food and medical and health services.

So that in peace time it was proved pretty conclusively, I think, that there was something radically wrong with a system which should be expected to make available to people currency and credit so that they could have goods produced and services performed. In war time, also, our banking system did not meet the test. It was not until the federal government was prepared to guarantee the banks against any loss that they were willing to make large loans to companies which were prepared to go into the production of ships and tanks and guns and planes. Those who believe in free enterprise should have argued that those who were going to make these tanks and guns and other commodities of war should take the risks, but those who were manufacturing thought otherwise, and the government of the day made it clear that those who would take contracts on government account could not lose money; they were guaranteed that they would have every cent they invested and profits on their investments.

The C.C.F. feel that, such large payments having been made to the chartered banks of this country, the time has come when the banks should be taken over and owned, controlled and operated as a public utility. We have never given the impression that we can solve our problems by taking over the banks and printing and circulating large quantities of money. I have never told the house before, but I had the experience of being a millionaire at one time.

Mr. CRUICKSHANK: Shame.

Mr. NICHOLSON: It was really a very simple matter. Any person who had a Canadian dollar could become a millionaire in Austria when I was there, after the last war. When I cashed a $20 traveller's cheque I became a multimillionaire, possessing the equivalent of twenty million dollars. But one million had to go for my breakfast the first morning, and by the time I left Vienna I had quite a large volume of money but it would not have bought me a fountain pen. The people of Austria found themselves at that time in a very difficult position.

The members of this group sympathize with the Minister of Finance in his efforts to try to save the people of Canada from the confusion and distress which were occasioned through various parts of Europe during that inflationary period. An old couple who had saved and saved for a lifetime, and who had perhaps five or ten thousand dollars put away for the evening of life, found, when inflation had done its work, that the accumulations of their lifetime would not buy a toothpick. We have been anxious to avoid in Canada any policy which would result in those who work for their wages having to buy in a very uncertain market and having to sell their labour to those who would be able, through inside

information available to them, to anticipate demand. We have always urged that the government should have complete control of our currency and credit so that at all times we would have sufficient available to produce the goods necessary for civilian consumption in Canada, for the prosecution of our war effort, and to exchange in the markets of the world for goods which we want but which we cannot secure here.

It has been said by those who have criticized our policy that under a system of government control of currency and credit there would be no guarantee that savings would be safe. I ask you, what greater degree of security could you expect than the security offered by the entire country? For a number of years I have kept a small amount of money in the post office savings bank. I do not think anyone can argue that your money would be safer in the Bank of Commerce or in the Bank of Montreal. The post office savings bank gives you a better service for savings than any of the chartered banks. You can withdraw or deposit money in practically any post office in Canada between eight o'clock in the morning and six o'clock at night without any identification papers, without payment of exchange, and without any stamp on your cheque. All you do is to present your post office savings book with your signature and your registration card and you are given the money you wish to withdraw. If you deposit money you receive an official receipt in due course by mail. It would be quite a simple matter to extend the service which is now being given by the post office to serve adequately the savings requirements of the entire country.

The hon. member for Rosedale (Mr. Jackman) asks about the poor bank clerks. The hon. member for Cape Breton South (Mr. Gillis) will say something about them; otherwise I would take time to do so. The poor bank clerks have not shared in the prosperity of the banking institutions. The banks of Canada have been able to show very favourable balances at all times. They have been able to build expensive head offices and branch offices; in nearly every community in Canada the most expensive building is the bank. Take the bank of Commerce, with a paid-up capital of $30,000,000. They were able to pay dividends of eight per cent, according to the last return I have, and even during the depression years, in 1932 and 1933, they paid ten per cent, and from 1929 to 1932, thirteen per cent. The Bank of Nova Scotia did a little better, because during the depression they paid fourteen per cent and twelve per cent. The Royal bank did very well during those years, having paid fourteen per cent before the depression and twelve per cent up to 1932.

The bank clerks, however, did not fare so well. I recall a conversation I had with an air force officer some time ago. When he found that I was a member of this house he was curious to know what plans were being made so that when the war is over he might have a chance to do useful work in society. He told me that when he finished high school he wished to be a civil engineer, and he tried to borrow money, but the banks were not interested in lending money to enable a student to go to university. However, he found employment in a bank, and after a considerable period he received $80 a month. Then he wanted to marry, but the bank regulations would not allow him to do so until he received $100 a month. Since he has joined the air force; the taxpayers of the country have spent $25,000 training him to be a pilot, and he is now receiving over $200 a month. He told me he could not understand how it was possible for the taxpayers to raise $25,000 to train him to be a pilot when a few years ago he could not get enough money to go to university to become a civil engineer.

I think the minister might have taken time to offer some justification for the low salaries which have prevailed in the lower brackets among bank employees. He did take time to defend the bank directors of the chartered banks in Canada, and he said that it would be an unfortunate thing if the successful men of the country should be barred from taking part in directorates. I have the *Financial Post* directory of Canadian directors for 1944, and it is really difficult for me to understand how some of the gentlemen listed here can take an active interest in the different companies they are supposed to direct. Here is Morris Wilson who is:

> President and managing director, Royal Bank of Canada; vice president and member of executive of the Montreal Trust Company; director and member of the executive of the Canadian Pacific Railway Company; director of: Sun Life Assurance Company of Canada, Ogilvie Flour Mills, Limited, Dominion Bridge Company, Limited, Dominion Engineering Works Limited, Consolidated Mining and Smelting Company of Canada Limited, British Columbia Power Corporation Limited, Canada Cement Company Limited, Consolidated Bakeries of Canada Limited, Canadian General Electric Company Limited, Beauharnois Light, Heat and Power Company, Shawinigan Water and Power Company; chancellor of McGill University.

How can any one person give careful consideration to the very complex problems that are considered by so many of these companies?

Here is Leighton McCarthy, our ambassador at Washington, who is a director of the Bank of Nova Scotia, among other things. One would imagine he would have a full-time job in Washington, but it does not appear so, because in 1944 he is listed as:

Member McCarthy and McCarthy, barristers; chairman of the Canada Life Assurance Company; National Trust Company Limited; vice president and director of: General Canada Loan and Savings Co., Toronto Savings and Loan Company, Aluminium Limited, Saguenay Power Company Limited, Union Carbide Company of Canada Limited, Canadian National Carbon Company Limited, Prest-O-Lite Company of Canada Limited, Dominion Oxygen Company Limited, Electro Metallurgical Company of Canada Limited; director of the Bank of Nova Scotia, British American Assurance Company, Western Assurance Company; member of: Board of Governors, University of Toronto, Board of Trustees, Toronto General Hospital, Board of Governors, Ridley College; trustee: the National Foundation for Infantile Paralysis of the United States of America, the Georgia Warm Springs Foundation.

There are a number of others whose names might be mentioned. Let me cite, the president of the Canadian Pacific Railway Company. He is:

Chairman, president and member exec. comm. Canadian Pacific Railway Company; chairman of: Associated Screen News, Canadian Pacific Air Lines Limited, Canadian Pacific Steamships Limited, chairman exec. comm. and dir. Consolidated Mining and Smelting Company of Canada Limited; president of: Canadian Airways Limited, Canadian Australasian Line Limited; Quebec Salvage and Wrecking Company Limited, Scottish Trust Company, Seigniory Club Community Assoc., Limited; vice pres. Toronto, Hamilton and Buffalo Railways; (alternately) pres. and vice-pres. of: Northern Alberta Railways Company, Toronto Terminals Railway Co., Vancouver Hotel Company; director of: Bank of Montreal, Canadian Arena Company, Canadian Pacific Express Company, Metropolitan Life Insurance Company, Minneapolis, St. Paul and Sault Ste. Marie Railway Company; member Canadian comm. Hudson's Bay Company; chairman executive comm. Bishop's University; governor of McGill University, Montreal General Hospital, Royal Victoria Hospital, Notre Dame Hospital.

I think that many of these well-known Canadians must be used as window dressing for many of these companies. Take a farmer from Saskatchewan like Charles Dunning—and by the way, I think the cruelest barb of all hurled at the minister yesterday came from the member for York-Sunbury (Mr. Hanson) when he expressed the fear that the Minister of Finance was going the way of Charles Dunning.

Mr. HANSON (York-Sunbury): Which way did Dunning go?

Mr. NICHOLSON: I will tell you in a minute. He is:

President Ogilvie Flour Mills Company Limited; chairman Allied War Supplies Corporation; member Canadian Comm. Hudson's Bay Company; dir. of Canadian Investment Fund, Consolidated Paper Corp., Consolidated Bakeries of Canada Ltd., Steel Company of Canada Limited, Bank of Montreal, National Liverpool Insurance Company, Liverpool and London and Globe Insurance Company Ltd., Liverpool-Manitoba Assurance Company, Globe Indemnity Company of Canada, the Consolidated Mining & Smelting Company of Canada Limited, the Royal Trust Company, the Bell Telephone Company of Canada, Sun Life Assurance Company of Canada, Canadian Pacific Railway Company, chancellor Queens university.

I do not think it is very convincing to say that because Mr. Dunning is a director of all these companies we have the best possible banking system that can be devised by Canadians. I suggest that the minister would be better advised to carry on along the general line he has been following in his department with a view to having those policies acted on in Canada which will guarantee the greatest production of consumer goods in peace time as in war time.

In the report of the Bank of Canada for the present year the governor of the bank outlines views that scarcely coincide with those advanced by the minister in his argument the other day. In discussing the adjustments which must be faced in the immediate future the governor of the bank points out that in 1939 we had about 4,000,000 Canadians gainfully occupied, and that at least 300,000 who were available for work were not employed. He goes on to say:

By the end of 1943 the gainfully occupied population had risen to approximately 5,100,000 but about 1,900,000 of these were engaged in the armed forces, in supplying the weapons of war, or in producing the food required for special war time exports. The number available to meet civilian needs had therefore fallen to about 3,200,000, but at the same time the average standard of living had risen materially and was probably higher than it had ever been. This increased output of consumption goods by a smaller working force can be accounted for in part by longer hours of work, favourable crop conditions and the abnormally small number now employed in private capital development and maintenance work.

After the war, some of those who are now employed will voluntarily withdraw from the working force, and the armed services may be maintained at a level considerably above their pre-war strength. It seems likely, however, that at least 4,700,000 workers will be available for employment in civilian jobs, or at least 1,500,000 more than the number employed in that sector of the economy at the present time.

The question that all Canadians must be worrying about these days is this: Have we the machinery to guarantee that the nearly two million who are now in the armed services and war industry can come back and find useful employment? It is our opinion that we cannot give any such guarantee unless we

are prepared in peace time as in war time to plan our production so that the resources which are here will be developed as a part of a national plan.

I have been told that a company like Canadian Industries Limited employed about 4,500 in the pre-war years. They have been employing about 45,000 during these war years; but their reconstruction plans call for the employment of about 6,000. That will mean they will be employing about one-third more than they did in the pre-war years; but what of the 39,000 who have been employed and who will be turned into the ranks of the unemployed? Similar figures may be cited to describe what will happen in the shipbuilding industry and aircraft production in a great many industrial areas in this country. I hope the minister will, if he is in charge of his department when the war is over, be willing to have as his slogan, "Whatever is physically possible must be made financially possible."

It has been suggested by some who have taken part in the debate that we cannot look for prosperity in Canada unless we have a very large export trade. The members of the C.C.F. party look forward to international relationships so that the nations of the world will trade extensively; but I submit that Canada can provide a higher standard of living for her people than we ever had before, regardless of her foreign trade. Therefore I think it is imperative that the resolution moved by the leader of this group be supported by the house so that we shall have plans afoot when the war is over to enable the government of this country to be in a position to control the development of our resources, and have available at all times the currency and credit necessary to guarantee full employment and to maintain the highest possible standard of living.

Mr. G. G. McGEER (Vancouver-Burrard): I rise to speak to this bill not so much because of what it contains, but more because of what it lacks. While I fully appreciate that the details of this measure are the primary consideration of the banking and commerce committee, yet I do want to address a few remarks to you, sir, upon the general problem as I see it, and upon the attitude that we should take in approaching the solutions that are far from easy to find.

It is pretty well known that my stand upon the issue of currency and credit is fairly strong; but I am not alone in that attitude. I should like to recall to the house the remarks of Thomas Jefferson, the third president of the United States, remarks which he made in 1800. He said:

> I believe the banking institutions are more dangerous to our liberties than standing armies. Already they have raised a moneyed aristocracy that has set the governments at defiance. The issuing power should be taken from the banks and restored to the people to whom it properly belongs.

Seventy-five years after that statement was made by Jefferson, the Lord Chief Justice of England said:

> The issue which has swept down the centuries and which will have to be fought sooner or later is the people versus the banks.

Other men of genius to-day are realizing that conflict still remains. Sir Frederick Gowland Hopkins, the discoverer of vitamins, recently said:

> I confess that I see more present danger in the case of money versus man, than danger, present or future, in that of the machine versus man.

Sir Alliott Verdun-Roe, the man of whom it may be said that he has probably made the greatest contribution in teaching the world to fly, the inventor of the Avro flying training machine, as recently as April 23, 1944, made this statement:

> We are on the threshold of wonderful inventions. The most far-reaching is our ability to travel through space and into the stratosphere. Aircraft will alter the whole future of travel; for to-day more people are engaged in building and operating aircraft in Britain than in any other activity. Yet I cannot help but remember the way in which my early experiments in aviation were received. With a few other British pioneers I saw Mr. Haldane, Secretary of State for War, in 1909, and he informed us that the government could offer us no encouragement, "as they saw no possibility of using aeroplanes for war purposes."
>
> It is exactly the same to-day when I find myself ahead of my time in emphasizing the incalculable benefits that could come from a revision of the money system, now completely out of date. As Henry Ford said recently: "Money is just part of our transportation system to move goods from man to man; it breaks down so often that it is time our engineers developed a new model." But the "engineers" are hardly likely to improve a system that forces those who do the work to take risks on money that is borrowed—yet which has no tangible existence beyond book entries.

Lord Wavell, certainly one of Scotland's greatest contributions to the empire's fighting generals, and one whose administrative statesmanship was recognized by Churchill as fitting him to take over in India at the moment of that part of the empire's greatest danger and crisis, said this:

> It has always seemed to me a curious fact that money is forthcoming in any quantity for a war, but that no nation has ever yet produced the money on the same scale to fight the evils of peace—poverty, lack of education, unemployment and ill health. When we are prepared to spend our money and our efforts against

them as freely and with the same spirit as against Hitler, we shall really be making progress.

I know that the remarks I shall make will not find a happy echo in either St. James street or Bay street. But I do feel rather happy to be able to travel in the company of the men I have quoted this afternoon.

We live, Mr. Speaker, in grim but inspiring times. Our day of decision in this parliament must follow and be complementary to the D-day of invasion. For upon our decisions in parliament will depend, not the success of the invasion that is coming, but the success of the fruits of the victory which we hope is not far off. The great crisis of the war for us is close at hand. The day nears when the weight of the fighting power of the United States and the British empire, accumulated in years of determined preparation, will be thrown in all its force against the enemy.

We have good reason to be confident that the declining strength of nazism may be soon overwhelmed. Germany, we trust, will not be able to survive another winter of war. Japan has already lost control on the seas and in the air. Before this summer passes no ship flying the flag of Japan will be able to move with safety on any part of all the seven seas. Many now competent to express an authoritative opinion are predicting that the Japanese war machine may collapse in a welter of hara kiri, even before the disillusioned and defeated nazis throw down their broken arms.

We await anxiously the day of the grand attack, and when it comes we regret that the shadow of sorrow will pass over the doorstep of many more Canadian homes. But the day of unconditional surrender will not be denied. Let us hope that we at home, in safety, have already been given the light to appreciate the nobility of the character which the fighting men and fighting youth of our generation proved was theirs in the darkest days of freedom's danger. Let all of us, particularly those of us who are in our war parliament, remember that our men on the seas and in the fighting lines, and the boys in the air who are crusading as youth never crusaded before, are fighting for the institutions that have flourished under the flag they love. They have gone forth with daring and courage, and with dauntless hearts and matchless fortitude not to conquer but to save. Fighting to protect the security of their homes and loved ones, and to preserve free enterprise as the greatest of all their liberties, in victory they will gladly offer all the liberties which they enjoy and cherish to enslaved mankind, wherever oppression and aggression rule. They are adding new lustre to the glorious traditions of our race; they are writing new pages in the records of our long and valiant service in the cause of freedom. No reckless ambitious pride or buccaneering selfishness tarnishes the escutcheon of the armies of liberty that they are bearing with unconquerable valour. When men struggle in the clash of arms in that spirit, their war is holy. The blood spilled in that cause is sacred. The lives laid down in sacrifice on that altar of service are forever consecrated to immortal glory. Ours is not only the justifiable pride of those closely associated with the heroes who are enacting the greatest episode in our glorious history. Ours is not only the tender memory of the loved and lost. Ours is the solemn duty so to fulfil the purpose and opportunities of our lives that the victory they fought and died to secure will not have been won in vain. It is for us to dedicate our lives to the preservation and advancement of all they gave their lives to save. Out of their sacrifice so freely offered and gladly given, and out of the welter of human carnage which has drenched so many lands with the blood of innocent millions, may there come to us new understanding. Yes; may we be given the understanding that will bring us under the guidance of the golden rule and release us forever from the alluring selfishness of the rule of gold.

Until we in parliament win that great battle against the selfishness of privileged monopoly, all the tragedies of revolution and war will be repeated over and over again. Wars are won on the battlefields, but they are born of the misguided action of men in parliaments. Until parliament dominates and subdues the blind greediness of privileged monopoly, the lot of our own and future generations will be but a repetition of the dismal past, its envies and its hatreds continuing, its false gods prevailing, its poverty, squalor and misery enduring, its revolutions and its wars beclouding the future and turning every horizon that beckons mankind onward and upward into the bitter anguish of illusion and disappointment.

It is ten terrible years since parliament approached the revision of the banking laws—ten years of depression and of war. And while I know it is easy to say that things are so bad they cannot be worse, I have always believed it was better to remember that things can never be so good but what they might be better.

I remember appearing before the banking and commerce committee back in 1934, advocating some very heretical doctrines against orthodox finance. I came under the guidance of the like of Lincoln, and I laid down his programme with regard to the approach to national currency, when he said back in 1839:

We say that no duty is more imperative on the national government than the duty it owes the people of furnishing them a sound and uniform currency.

To achieve that, as our objective, we went before the banking and commerce committee; and the Liberal party coined the great expression, "Liberalism stands for the issue of currency and credit in terms of public need, not private gain." My hon. friends do not think that we have gone far enough, but let me say that the picture to-day is very different from what it was then. Liberalism has achieved much.

In 1934 we advocated a publicly-owned national bank that would become the centre of Canada's greatest public utility, her monetary system. That has been accomplished. We advocated the removal of the gold reserve limitation in the issue of full legal tender and national paper currency. That has been accomplished. Some of my hon. friends will laugh when I say that we have ownership of the Bank of Canada. Not only have we ownership of that bank; to-day there is in issue from that bank $1,400,000,000 of national currency serving this nation in war. We advocated the control and regulation of the international movement of currency, credit and investment. That has been accomplished. Our foreign exchange control board has proved to be an institution of tremendous power and invaluable service to the nation in this crisis.

We advocated then, not the rigid regimentation and controls necessary in war time, but that wages and prices and production and distribution and rents should be kept within the bounds of reason. We have proved that with the cooperation of the people these things can be controlled, and those controls are now in operation. We advocated also the use of taxation to aid in the regulation and circulation of the medium of exchange and to avoid inflation. It has been proved that that is a practical administrative power of government. All these reforms have taken place under a Liberal administration, and I venture to say that there are few nations to-day in the world that have a sounder foundation of finance upon which to approach the period after the war than Canada has under Liberal government.

Let me go just a little further and point to some of the other lessons that we have learned as a result of our experience in this war. We were always told that once we were a young country, and had not accumulated the money wealth that older civilizations possessed with which to build railways, canals, harbours, cities, villages and industries, we must conform to the rate of progress and the standards of government expenditure and taxation that would satisfy the money lenders in Berlin, Paris and London. It was there and there alone that money for capital investment was available. We were told that we must keep our credit good in the lending financial centres of the world. Well, we borrowed; we went into debt for everything we did, and we came out of the last war the most heavily indebted people in the world in proportion to our wealth and population. We carried an international debt which was proportionately greater than that of Germany.

What happened in this war? Of course our financial experts told us that we could finance only a hundred million-dollar war at the start. When we took on the British empire training scheme we were told we would have to cut down a portion of our other war work. Because of that bad advice by the financial experts of this country the preliminary war effort was crippled beyond measure. Following the retreat from Dunkirk, the collapse of France and the terrifying exposure of England's weakness, we came to the conclusion that Canada must defend herself, and our government wisely declared that no monetary consideration would stand in the way, that no limit would be placed upon the resources and energies of the people of Canada in this war effort.

What happened? We lifted our war budget from a hundred million to nearly a billion, then to two billion, then to three billion, and this year and last year it ranged in the vicinity of five thousand million dollars. What about these older centres that were supposed to possess the money wealth that we did not have? We lent England seven hundred million dollars and then found a billion dollar's worth of goods and services which were created by Canadian finance and energy. We did not borrow in Berlin because they had closed their door, and the Bank of France crowd in Paris had collapsed. We could not borrow in London because London did not have anything to lend us. Is anybody going to say that out of that experience Canada has not found her financial independence? Are we to go crawling to some international banker for money to put our people to work after this war for a better Canada? I think that would be just as ridiculous as to suggest that we might finance this war by issuing the five and a half per cent tax-free bonds that came from that banker Minister of Finance, Sir Thomas White, during the first war. That practice was during the years when the orthodox financiers ruled and it was said to be the soundest money that Canada ever issued; certainly the most expensive.

That kind of nonsense will never be repeated. Let us hope that no government will ever say that we have to borrow abroad to finance Canada's development when this war is over.

I am disturbed however because I am not so sure that what I think is excellent advice by our chief fiscal adviser, the governor of the Bank of Canada, has found the right kind of hearing in the ears of our Department of Finance. Let me quote what Mr. Towers has said to this government, which will be found in his annual report covering the work of the bank last year. He said:

> I do not wish to suggest that public debt could be increased at the present rate for an indefinite period without placing intolerable strain on our economy. I do feel, however, that the war debt, and the increases which will inevitably take place for a time after the war ends, can be handled without serious embarrassment.

The governor is taking in a fairly wide range of territory, because no one can predict with certainty when this war will end or what its repercussions will be when it does end, or what their cost will be. If we are able to handle an increase in our debt of anywhere from seven to ten billion dollars, why was it that we could not handle a debt of four billion dollars without bankruptcy and unemployment in 1935 and 1939? He goes on to say:

> A vastly increased volume of consumption and capital development will be necessary if this output is going to be fully absorbed and high employment maintained.

But here is the warning:

> The adjustments required will clearly be of unprecedented magnitude, and bold planning on the part of labour, farm and business organizations, as well as governments, is urgently needed.

Just why he left out the banks I do not know; for it does seem to me that their responsibility is just as great as that of the others mentioned.

Let me put the problem as I see it. We now face a world with tremendously improved capacity to produce consumers' goods. We now face a nation with a burden of debt unprecedented in history. Our cities are overtaxed and moving with difficulty under a debt load of one billion dollars; our provincial governments are carrying another debt load of two billion dollars; our federal government carries already a debt of eleven billion dollars, making a total of fourteen thousand million dollars of debt, which is the first fixed charge upon the payment of the taxpayers' money into the consolidated revenue. I have no hesitation in saying that if we are going to sustain full employment or high employment after the war and avoid the disastrous consequences of a post-war depression, government spending must continue on almost as large a scale in the period of adjustment as during the war years.

What are the programmes so far put forward? There is the $25,000,000 industrial development bank. I disagree with that, because I do not believe that a bank of that kind should be formed to go into competition with our commercial banks or private financing organizations. I do believe that we can repeat the experience of the United States in the establishment of a government agency—not a government bank—like the Reconstruction Finance Corporation which can give to this dominion the same tremendous assistance that the Reconstruction Finance Corporation has given to the United States. When I look over the unprecedented changes in our proposed revision of the Bank Act to-day, the only fundamental change, Mr. Speaker, that I can find is the raising of the rate of interest to small borrowers from 7 to 9¾ per cent. Here again you have the old doctrine of making the poor pay for the service of the rich. If that provision comes out of the banking and commerce committee, it will come out only after I have given to it all the opposition that I can give. These provisions of finance fail to conceive, fail to apprehend and fail to present to parliament financial adjustments described in the language of the governor of the Bank of Canada as of unprecedented magnitude.

Let me indicate some of the things which we might do to meet the coming situation. There is a causeway to build across the straits of Canso, connecting the great industrial area of Cape Breton with Nova Scotia. There is a canal to build between the bay of Fundy and the gulf of the St. Lawrence. There is a tunnel to build between New Brunswick and Prince Edward Island. There is a great St. Lawrence river to develop. There is Beauharnois already in action, and not supplying the needs. The St. Lawrence waterway and the powers of the Ottawa river have been crying for decades for development. Down our Canadian rivers flow in waste countless thousands of horse-power energy. Yes, Mr. Speaker, we can electrify our railway system and from that electrification distribute electricity to the rural areas. In the electrification of our railways, in the streamlining of our tracks, in the rebuilding of our railway equipment, obsolete for years, we can find employment for that vast army of highly trained technicians and artisans who have made a contribution in this war that

has given us an industrial revolution we could not otherwise have achieved in probably a hundred years of peace.

If we are to move forward and live in this new world that is to come, it is the financing of expansions of that type, of unprecedented magnitude, that our Department of Finance and our monetary system will be called upon to do.

I want to say this in conclusion. When we were before the banking and commerce committee we advocated, in addition to the things that have been accomplished, something more. We advocated that the Bank of Canada should be the national bank, that it should be responsible for financing the federal government; but we also advocated that a suborganization of that bank should be established in every province, and that the responsibility of that suborganization would be the financing of our provincial and municipal governments. We did not propose to take over commercial banking or to socialize private finance, but we did ask for a complete segregation as between public finance, the financing of public enterprise, and the financing of private enterprise and acting as custodian for private money.

We have made, of course, great progress. But we can go farther. We can finance the building of a Canada that will stand out as one of the foremost nations of the world, because our twelve million people, Mr. Speaker, are I believe the richest twelve million people anywhere in the world. We have more in our possession and more work to do than any other people in the world, and unless we allow ourselves to be hobbled and fettered as we have been in the past by the bad advice of our financial experts and by the misguided theories of orthodox finance, we can not only give a lead to our own people but make Canada an example for the whole world to follow, and make it one of the brightest parts of the world of English-speaking people.

Let me say, on social services and taxation, that with a proper management of our national currency and our monetary system we can give the government more power and we can impose less taxes on the people. We must have peace with progress; we must have peace with progress and prosperity. We can do away with things like the cost of living sales tax. We can eliminate the need for taxing wage earners to the point where they have not enough left to maintain a decent standard of living. We can raise the wages of our school teachers. We can raise the wages of our postmen and of our policemen. Yes; we can finance these things with the same ease with which we have financed the war; we can bring about progress and prosperity for Canada through the budgets of our federal, provincial and municipal governments, and keep our economy moving forward on an even keel. It is along these lines, Mr. Speaker, that I feel we can approach with safety the revision of our Bank Act and monetary laws.

I do not think that I have by any means all the answers, but I believe the answers are there to be found, and that if we approach this great problem freed from the spirit of partnership, and uniting together, not in any spirit of critical antagonism to the Department of Finance, but more in the spirit of cooperative good will, we shall find the answers, we shall produce solutions, and we can look forward to the avoidance of that pitiable disruption which has swept over so much of the world in which we live.

But let me give you this warning. This land has no special dispensation against revolution or class conflict. Its seeds are already here. We have to face a world which is on the march forward, and if democracy as we know it is to survive, it will only be because it serves mankind as well as if not better than any other system of government.

Mr. JEAN-FRANÇOIS POULIOT (Temiscouata): I congratulate the hon. member for Vancouver-Burrard (Mr. McGeer) upon his very fine speech, and I should like to say a few words about this bill. Looking at it, one sees that the proposed changes are not numerous. It is not so long ago that the Liberal party included in its platform the proposal to establish a national central bank to control rediscount, currency and credit. Some time afterwards the then prime minister, Mr. Bennett, stole that plank from the platform of the Liberal party and himself established a central bank, which was the Bank of Canada. The leader of the opposition at that time, the leader of the Liberal party, complained that Mr. Bennett had stolen the banking programme of the party. Mr. Bennett was gifted as a speaker, and his imagination gave him lots of opportunity to find rich metaphors of speech, but when it came to constructive ideas for the building of this country or the improvement of business he often fell short. When the matter came before the Liberal party I was opposed to it, but finally I bowed to the majority of my colleagues who were in favour of that bank.

So many views have been expressed about credit that it is time to say what is usually meant by the word. Credit is not money,

though money is often called credit; nor is it currency. Both money and currency are not principals; they are accessories to a transaction which is no less than a barrier. In the old times when there was no money, rich men exchanged camels, cattle, et cetera, for services or goods. Afterwards carved stones or other objects came into use, but there was something to offer in exchange for goods or services rendered. So many things have been said on this subject that people are under the impression that there is a spontaneous generation of credit, and that, for instance, when a man goes to the bank to secure a loan, an entry is made in the books and it is called credit, when in fact it is a debt of the bank to the individual, and the asset which the bank has to cover that debt is the guarantee which is given by the customer for the amount that is advanced to him by the bank. Therefore there is a transaction which is made by the bank in favour of a customer; but it cannot be extended indefinitely. It is done in certain cases.

One thing to be praised in banking is the decentralization of responsibility. There are managers located in various places, and they know the people; they know what their needs are, and they try to help them as much as they can. I will never say that the banking institutions which we have now are perfect, but they can be compared favourably with those of any other country, particularly with the banking system of the United States.

I have here a quotation from what was said by the Prime Minister (Mr. Mackenzie King) not so long ago, on March 3 of last year:

> There is no doubt that society as it is organized to-day does enable those who are economically strong to become stronger, and at the same time does have the effect of causing the economically weak in many of the great struggles of life to become weaker. While the wealth of the world has vastly increased, its distribution has become increasingly disproportionate.

On the same occasion the same gentleman spoke as follows:

> And if, as a result of the institution of private property, whether it be ownership of land or of capital, a special condition may develop which is inimical to the community as a whole, that institution has either to be modified in some particulars, controlled in some dealings, or make way for some other system.

On February 21, 1941, I mentioned in the house that there was considerable intrigue to bring about a union government in order that the rich might become richer and the poor be poorer. Two years later the Prime Minister declared that society as it is organized to-day does enable those who are economically strong, et cetera, to become stronger and has the effect of causing the economically weak to become weaker. The *raison d'être* of the Bank of Canada was to control rediscount, currency and credit. Was it not established ten years ago? If it failed of its purpose, why is it not abolished?

Here I have some remarks to make about the right of ownership and the distribution of wealth. It will be very difficult to establish a proportionate distribution of wealth, but the suggestion that wealth should be distributed in a certain proportion to all necessarily implies the right of all to ownership. It is clear that if no one has the right to own, no one would have the right to own any proportion of wealth, and if it is true that the distribution of wealth has become increasingly disproportionate, it is not because the wealth of the world has vastly increased, but precisely because the wealth of the few has vastly increased. Such a condition is due not to society as it is organized to-day but to society as it is disorganized to-day. Society as a whole should not be impeached for the excessive greed and unruly ambition of a few. If society is so much disorganized to-day, who is responsible for the fact that the greed and ambition of a few have not been checked in time? Who also is responsible for the fact that the strong became stronger and the economically weak, weaker, and if it was society that enabled them to become respectively stronger and weaker, how was it done? What was the length of the process in each case?

It is not the institution of private property, whether it be ownership of land or ownership of capital, which might develop into a social condition inimical to the community as a whole. It is the abuse of the institution of private property by the few which could do it. Therefore it would be illogical and unjust to conclude that the institution of private property must "be modified in some particulars, controlled in some directions, and should make way for some other system." The matter is too serious. It cannot be left like that. One should be ready to answer other pertinent questions with regard to the institution of private property, whether it be the ownership of land or of capital. First, in what particulars should it be modified and by whom? Second, in what direction should it be controlled and by whom? Third, for what other system should it make way?

There should be no mental reservations, no demagogic appeals. Social security will never be artificially established, it will never exist unless the causes of social insecurity are suppressed. This is a most important point. If there is something wrong in our banking system, what is it? It cannot be only the increase of interest on small loans. That is

unfortunate, and I hope it will be corrected, as my hon. friend who has just spoken said. But there are other things. We must go to the source of the evil. We must see what is the best that can be done with regard to banking.

At the present time the Bank of Canada is apparently independent of the Minister of Finance as well as the House of Commons. When the question was up before, the Minister of Finance said, on June 2, 1941—time passes very quickly—that the Bank of Canada is independent of the finance department and of the House of Commons. Sir, I regret very much that I cannot agree with such a theory. I find it unsound, and for the information of the minister I will quote *Hansard*, page 3376, 1941:

Mr. Blackmore: Do I understand the minister to say that the Bank of Canada is not directly under the control of the Department of Finance?

Mr. Ilsley: Correct.

Mr. Blackmore: That it is independent of the finance department, and therefore independent of this house?

Mr. Ilsley: Correct.

Mr. ILSLEY: But I modified that later in a very careful statement. I answered Mr. Blackmore a little hastily that day.

Mr. POULIOT: Yes. But on the other hand, when I asked the minister's predecessor—not his immediate predecessor, but the one before, Mr. Dunning—for some information on the Bank of Canada, I was denied that information. I was told that it was none of my business to know about the expenses of a Bank of Canada doorman who travelled around the world. I do not know what are the relations between the Minister of Finance and the Bank of Canada. It is impossible for a member of parliament to attend all the sittings of the house and to read *Hansard* from the first page to the last, but there was something abnormal in the condition under which the Bank of Canada was created and left on an ivory tower.

I hope the minister will make clear what are the relations between himself and the Bank of Canada, but at the present time he should not be the only intermediary between the Bank of Canada and the House of Commons. He should have control over the Bank of Canada and he should submit to the control of the House of Commons.

We hear about the nationalization of banks. It is often mentioned in public that our banking system should be nationalized. When the Bank of Canada was created. it was created under private ownership and Mr. Bennett gave the reason for establishing it in a way contrary to the system that had been operating for years. The capital was privately owned, and the policy of this government afterwards was different; they made it publicly owned. The government purchased the shares and we were told that the Bank of Canada was a public, a national institution. It is a mushroom. It is impossible to know what is going on there, and those people are not in contact with the House of Commons at all. We must have certain information from them, and also from the Minister of Finance, but in the present stage it is impossible to get information. How many times did I ask questions about the Bank of Canada and was told that, as in the case of the railways, the government did not have to answer? This is the old story. So long as the capital stock of the Bank of Canada was privately owned, while there was not exactly a *raison d'être* there was something like a *raison d'être* for establishing it; but as soon as the government bought the private stock and made it government owned, then the Bank of Canada had no longer a *raison d'être* and we should have dispensed with it. It could be easily done. It is done in other countries. The government has control over banking in other countries. The position of the Chancellor of the Exchequer with the Bank of England is an example to follow in this dominion. In England they would never stand for a system such as the one we have here. Their policies are not made by experts; they are made by the government. This government may consider the suggestions that are made to them by the experts of the various departments, but, sir, is it not essential that the policy itself be made not by these experts but by the government? At the present time we can see where it differs from the past. In the old days when a member went to see the minister, the minister used to call the official in charge and ask him what was his answer to the complaint of the member, and then the minister decided what had to be done. But now conditions are entirely different. The same official is called and the minister asks him to decide what to do. The minister is there just as an intermediary between the member and the department, and the one who is always right and makes no mistake is the official in charge. I do not believe that the Bank of Canada will serve any purpose so long as we have that system of irresponsibility.

I should like to have the gift of speech of my friend the hon. member for Vancouver-Burrard (Mr. McGeer) to describe the future as I should like it to be for the boys and the girls in the armed services, as well as for all our fellow citizens. But there were two things he said that seemed to be contradictory. He said that we have a burden of debt unprece-

dented in this country, which is true. He then expressed the desire that we should impose less taxes in the future. How can it be done with such a heavy burden of debt? Then he said that the Bank of Canada should be a national bank. So long as it is constituted as it is now, the Bank of Canada will never be a national bank. Even if the Bank of Canada is an international bank, our credit should be controlled by the nation. That is why it is important that the Minister of Finance should have a check on the Bank of Canada, and that he should be responsible to parliament for the general policies that are followed by that organization.

It would be a great mistake to put into the heads of our fellow citizens the thought that they will be given as much credit as Santa Claus distributes in Christmas gifts if a certain party comes into power. Those things are most dangerous. We should not expose our fellow citizens to disillusion. I recognize the sincerity of all my colleagues, although I do not agree with many of them. They want the redressment of wrongs. Wrongs will be redressed when the supremacy of parliament is recognized as the medium to correct the evils. Canadian citizens have a right to petition parliament for the redressment of a wrong. How can they petition parliament for the redressment of a wrong done by the Bank of Canada when there is no link between parliament and that bank? There may have been mistakes in judgment, and even mistakes of policy, on the part of some banks at certain times; but what is the remedy? It is easy to say to anybody: we will see to it that you will get unlimited credit. It was done in France. It was done at the time of the French revolution, and assignat fell down to nothing. It was done in Germany after the war, and the mark fell to next to nothing. It was easy to be a millionaire in Germany, to have a million marks. You could get them for a few cents. We shall not expose our country to such depreciation of money.

I may have some questions to ask when the committee sits, and I shall ask my good friend, the hon. member for Ontario (Mr. Moore), who is the chairman of the committee, to afford me the opportunity of asking some questions of the witnesses when they appear. But let us be very careful about making a change in what has been going rather well. When there are not too many complaints it is dangerous to make a change. It was dangerous to change the rules of the house. Would it not be dangerous to make too many changes in the banking system?

Let us not forget, sir, that the so-called prosperity which the Canadian people are enjoying is superficial. There are expenditures in large brackets, but sooner or later it will have to be paid. It cannot go on like that all the time. There are high wages paid and contracts are let here and there, but we are in a very precarious situation. There are many people who worry about the future, and who ask themselves what will happen when the war is over. It is time to think of that and to be very careful about the adoption of new schemes, whether they are proposed by financial wizards or others. When I speak of "financial wizards" I speak of the experts who are the advisers of the government. Sooner or later the day will come when the huge amount of taxation that is increasing will have to be paid, and it will not be a service to render to the boys who are fighting now in all corners of the world to welcome them with financial embarrassments as soon as they are discharged from the army. That is a matter for serious consideration, and I hope, sir, that no one will forget that the burden of taxation will be harder to decrease so long as the Canadian people are not told the truth in very simple language.

Mr. F. D. SHAW (Red Deer): In approaching the subject of banks and banking practice I am not at all unmindful of the extraordinary human characteristic which renders it virtually impossible for some apparently reasonable human beings to approach a new idea without a good deal of prejudice and hostility. I think this unusual characteristic was very well dealt with by Sir Grafton Elliot Smith in his introduction to "Human History". I propose to read a short extract from his publication. It is as follows:

> The vast majority of mankind thus accepts without question the guidance of tradition, and by sheer inertia loses the ability to observe or interpret evidence in any sense other than the conventional one that has been instilled into them by custom. Everyone who has ever called attention to facts, or inferences from them, that came into conflict with fashionable doctrines must have been made to realize how little influence the experience of the scientific developments of the last three centuries has had upon men's readiness to make even the simplest observation, or to admit the truth of the most obvious principles.

He goes on:

> Most men, even without being consciously dishonest or wilfully stupid, seem to be unable to examine heterodox views with understanding and impartiality.

And one final sentence:

> The inertia of tradition and the lack of courage to defy it when new evidence fails to conform to it seems to be potent to blind all to the most patent facts.

Any approach to the consideration of financial policy must be made with a clear concept of the relationship of finance to the national activity and human welfare.

Early in his speech the hon. member for Vancouver-Burrard (Mr. McGeer) read several quotations, statements of persons whom I believe it is possible for us to look upon as experts in their field. It is my purpose to make reference to several other statements of leading statesmen with respect to the relationship of financial policy to the whole life of a community.

It was the Right Hon. Ramsay MacDonald, twice Prime Minister of Great Britain, who said:

> Finance can command the sluices of every stream that runs to turn the wheels of industry, and can put fetters upon the feet of every government that is in existence.

President Woodrow Wilson of the United States spoke in rather emphatic terms when he said:

> The greatest monopoly in this country is the monopoly of big credits. A great industrial nation is controlled by its system of credits. The growth of the nation therefore and of all our activities are in the hands of a few men who chill and check and destroy genuine economic freedom.

Then, coming a little nearer to our own day, we have read of President Roosevelt saying:

> He who controls the money wields sovereign power.

His Holiness Pope Pius XI asserted in even more emphatic terms:

> Control of financial policy is control of the very life-blood of the entire economic body.

Then, as was pointed out last night, the Prime Minister of Canada (Mr. Mackenzie King) asserted in part:

> Until the control of currency and credit is restored to the government and recognized as its most conspicuous responsibility, all talk of the sovereignty of parliament is idle and futile.

Those, added to the quotations of the hon. member for Vancouver-Burrard will, I believe, suffice to indicate to us the extreme importance of whatever type of financial system may be functioning at any given time in any country.

We have had one government succeeding another, here and elsewhere, and it is interesting to note the situations which confronted various governments upon their attaining office. First in this regard I may refer to Mr. Gladstone, a great statesman of other days, who said:

> From the time I took office as chancellor I began to learn that the state held, in the face of the bank and city, an essentially false position on finance.

The hinge of the whole situation, he said, was this:

> The government itself was not to be a substantive power in matters of finance, but was to leave the money power supreme and unquestioned.

President Woodrow Wilson, referring to the situation with which he was confronted, asserted, in part, that he discovered that the banking system of his country, which was not engaged in the production of anything, wielded a tremendous power, in fact a power exceeding that of government.

Mr. Chesterton, the writer, commenting upon the situation from his point of view, is reported as having said:

> The main mark of modern government is that we do not know who governs de facto any more than de jure. We see the politicians and not his backer, still less the backer of the backer; or—

What is most important of all.

—the banker of the backer.

He continues:

> Throned above us all, in a manner without parallel in all the past, is veiled the prophet of finance, swaying all men's lives by a sort of magic and delivering oracles in a language not understanded of the people.

In Canada we did, in the early thirties, enter upon a depression. I know it has been argued in most vehement terms that banking policy and banking practice were neither responsible for nor had any influence upon those conditions. I hardly subscribe to that view. I think there is enough evidence for any man to draw sensible deductions. We know, for example, that between 1929 and 1933 the volume of purchasing power in Canada fell by approximately fifty per cent. In other words, credit and currency available to the Canadian people with which to purchase those things which they were capable of producing had vanished. I use the word "vanish" with considerable emphasis. It is true that very early in the thirties most of our banking institutions anticipated slumps. They were quite bold about making known that fact. Because of that anticipation they curtailed their loans drastically. All one had to do was to go out among the people who had not previously experienced any difficulty in borrowing. They were suddenly cut off. Is there anyone who will argue that when those institutions, in anticipation of such a situation, curtailed their lending policy it did not add immeasurably to the difficulties which were fast approaching? It is interesting to note what the late Hon. Michael J. Savage, former Prime Minister of New Zealand, had to say with respect to this. The annual report of

the reserve bank of that country was being examined; certain projects of a national character had been advocated, and the reserve bank had recommended the holding up of public works in anticipation of an economic slump. Mr. Savage referred to that decision in the following words, in which I concur:

> It is the orthodox point of view, but it is one which I do not hold. It is based on the theory that slumps are inevitable, but I prefer to think that bad times should only arise from famine or from some similar natural cause. There is no evidence that our production is breaking down.

I think that was also quite true of Canada. He goes on:

> Therefore the only way in which a slump can happen is through people being unable to buy what they are able to produce. With adequate purchasing power spread over the community and production maintained, there is no earthly reason why any section of the community should suffer distress.

I think we all witnessed that situation during the depression. Governments were drastically curtailing their activities, including public works. Men who had been employed found themselves without adequate incomes, in some cases without any. They discovered themselves unable to produce and the production of others was therefore curtailed or discontinued. And all the while the banking institutions, whose sole interest was the making of money out of their operations, were making no endeavour to pump money or credit into the stream of purchasing power to assist in alleviating the distress.

I have always laboured under the impression that the original intention of our medium of exchange was to assist in the movement of those things which we are capable of producing to those places where a demand exists. We fear that under the set-up as we know it, what I will call the monopolistic banking system, we have lost sight completely of the real function of our medium of exchange. Back in 1934 and the early days of 1935 there were established across this country relief camps in which boys were paid twenty cents a day. A government which was dependent upon taxation of an impoverished people or borrowings from the chartered banks could not find any more than twenty cents a day. At that the Conservative government was better able to handle the situation than the Liberal government, because when the Liberals came into power they closed the camps; they could not find the twenty cents a day.

Under the system of financing which we have known, not only have we failed to maintain a stable economy, not only have we failed to make provision for willing and capable people to meet the demands for what they themselves are capable of producing, but we have built up a colossal debt, oftentimes referred to by myself as an eternal debt. I know it is true the governor of the Bank of Canada has gone on record as asserting that a national debt is an asset; I know Doctor Cyril James has gone on record as saying that the debt will go on increasing for a hundred years; I know the Minister of Finance has indicated that they have hidden somewhere a scientific scheme or plan for taking care of it, but I still say that I fear the growth of that debt. The previous speaker has indicated that the service charges on that debt will be the first claim against the treasury. If we are not intending to; if we are not by force of circumstances placed in a position where we must disillusion the boys and girls of our services, then it is most essential that the finance minister make known that scientific scheme which is supposed to be lurking somewhere.

That debt is the real enemy of our future. I would go farther and say that it is the real robber of our economic freedom. Let us go back for years, to about 1880, and note the growth of our national debt. To-day it is in the neighbourhood of $11 billion. Let us consider what the interest charges alone on that debt will mean in taxation after the war. If we realize also that there will be certain other fixed charges to be met before we shall be able to provide for the ordinary everyday responsibilities of government we shall have a picture of the taxation structure which will have to be maintained in this country after the cessation of hostilities.

I cannot subscribe to the idea that there will be a drastic reduction in taxation after this war. Every time that is suggested to me I reflect back upon the introduction of the income tax act and remember how it was presumed to have been an emergency measure to be dispensed with after it had served its purpose. In the way it has grown and multiplied and developed since it was first introduced would put bacteria to shame. As I say, I shall not try to delude anyone by suggesting that under the present system of financing there can be any drastic reduction in taxation after the war. The hon. member for Temiscouata (Mr. Pouliot) cautioned us against disillusioning the people in our services. The greatest disillusionment they can ever be faced with will be that disillusionment which will meet them when they come back and discover that the government cannot finance even those projects and rehabilitation measures which it has promised it will put into effect. Nothing, Mr. Speaker, will render that

programme null and void sooner than a continuation of the system of financing which we are and have been using. The hon. member for York-Sunbury (Mr. Hanson) indicated that the government had not offered in its proposed amendments very much more in the way of a revision of the Bank Act than was offered in 1934. Putting two and two together I would suggest, then, that we cannot hope for much more under this revision than we have had in the years from 1934 onwards.

I said in my opening remarks that one is always met with hostility when one undertakes to discuss those things which over a period of years have been made most mysterious. Those responsible for the present financial system have developed a strange kind of double talk; we know that. We are looked upon with a sort of sympathy when we dare to discuss the matter. I know that in Alberta, when we undertook in the early thirties to teach even the elementary truths of finance, we were ridiculed and condemned. I recall saying in 1934, for example, that the banks create credits. Even the banking institutions were ridiculing us for saying that. We stated that ninety per cent of a bank's business is done on credit of its own creation. Yesterday we voted on a subamendment in this house and no one rose in his place and said that the subamendment was out of order because the banks do not create credit. So that we see that one truth has now come to prevail.

I remember, too, declaring that to tie our money to gold was a fantastic procedure, and at that time the supporters of this type of orthodox finance went about the country saying to the people, " Ladies and gentlemen, if you take away gold from behind your money and credit it will of necessity become valueless." But we have seen that fallacy exploded. We have seen our gold reserves completely removed and placed apart from our financial system, unless of course you tie in your foreign exchange control board with the financial system; but so far as the relationship of gold to money is concerned, there is not even a forty-second cousin relationship.

Again, about ten years ago, we pointed out that the chartered banks were primarily concerned with improving and strengthening their own positions regardless of the welfare of the people. These same institutions, through the Canadian Bankers' Association—then hired one by the name of Vernon Knowles—I do not know whether he is related to the hon. member for Winnipeg North Centre—to travel back and forth across western Canada telling the farm people how poverty stricken those banking institutions were. He did not tell the people that the banks which had moved out of those non-profit areas moved out because there were no profits left. The people's welfare did not matter. He did not tell the truth to the people in those communities: We cannot make enough out of you any more, and that is why we are leaving. But he managed to concoct some other explanation for it. At the same time the bankers carried full-page advertisements in all our newspapers telling the people how poverty stricken they were. From that day to this the banks have been on the air with little playlets like "John Farmer and his Wife": John Farmer got a loan and thus has been able to do this and do that, and improve his status materially. I am almost tempted to ask them to base their next ten serials upon what happened when most John Farmers did not get loans.

In 1940 the Canadian Bankers' association became so fearful of the growing feeling among our Canadian people from coast to coast that there must be something wrong with our financial system, that it became active in politics. Oh, not openly, I grant you, but I am reasonably certain, at least certain to my own satisfaction, that in 1940 that organization poured substantial sums of money into the "Independent" coffers in Alberta after bringing about a wedding of the Liberals and Conservatives as an "Independent" organization to oppose the government which had enlightened the people of Alberta on monetary matters.

I was surprised that my friends of the Progressive Conservative party voted as they did last night on the subamendment. I quite understand that that was their prerogative. Yet they have come out before the country as progressives, and there was a possibility of a number of seats in Canada for them. But after last night I must withdraw any suggestion of that possibility so far as the western half of Canada is concerned. But there the people have become a little enlightened with respect to the machinations of the present financial set-up.

It is not my purpose even to try to go into details upon the second reading of this bill. The measure will go before the banking and commerce committee, where I am sure our Social Credit representatives on the committee will have a great deal to say about the lack of consideration which the government has given to necessary amendments.

As to the amendment which we are now debating I must express this view. If we undertake to unite the government and the present financial system, the present financial system will swallow the government. My personal feeling is that it is most essential that

we make basic changes now in this revision of the Bank Act. But if the Bank Act is left almost intact, practically as it is now after this revision, a government coming into power within the next two or three years and determined to put into effect a democratic financial system will find itself confronted with a situation where, if it endeavours to take over the banking institutions, the banking institutions will swallow that government. I contend that it is most essential that we concentrate our attention upon the most necessary changes in the act at the present time. There is plenty of time to take other steps should further action become necessary. We never know what to-morrow holds.

Last evening the hon. member for Cartier (Mr. Rose) referred to our party. I am sorry he is not in his place at the moment. I thought it was just too bad that a man who is presumed to have a good deal of understanding and who represents such a fine constituency gave evidence of such colossal misunderstanding of the matter of money. As he spoke last evening I could not help thinking how he and his party have been playing to the government for the past year. I should like to ask him, and maybe, if he reads *Hansard,* he will answer me, why is that party playing to the government, particularly when in 1940, alluding to the same government with whom they are endeavouring to work up a romance, they referred to them as "dictators", "robbers and plunderers", "capitalist war-mongers", "Canadian imperialists", "bare-faced liars"—I am only reading, Mr. Speaker, from one of their own publications—"violators of solemn treaties"—

Mr. TUCKER: What is the hon. member reading from?

Mr. SHAW: I am reading from the 1940 election manifesto of the communist party. They were "war profiteers", they were "parasitical ruling classes", they were "supporters of a bloody criminal war, a ghastly crime against humanity, plunderers and killers of the common people", and to end up, "thieves".

Mr. TUCKER: Is that all?

Mr. SHAW: That is all; and if that is not found in this publication I will condescend to eat the platform, although I am sure it would give me violent indigestion.

Mr. JOHNSTON (Bow River): That pretty well covers it, though.

Mr. SHAW: I merely point out to the hon. member who assails us that throughout the session he and his party have supported a government which only four years ago they characterized as being any one or more of these fourteen or fifteen things. Is there a subtle purpose?

I have practically concluded my remarks. I had one or two other things to say with respect to this situation, but the hon. member for Bow River (Mr. Johnston) and the hon. member for Cape Breton South (Mr. Gillis) have intimated by inference that my statements would not be parliamentary, and therefore I shall not say what I was going to say.

After the last war the Right Hon. David Lloyd George, in speaking of the conference which settled the Dawes reparation pact, made this statement:

The international bankers—

In a moment I am going to make this read "national" bankers.

—swept statesmen, politicians, journalists and jurists all on one side, and issued their orders with the imperiousness of absolute monarchs who knew that there was no appeal against their ruthless decrees.

I wonder whether after this war we shall have to face the people of Canada, including our boys and girls of the service personnel, men of the merchant marine and all those associated with war industry, and confess that "we have failed in granting to you those things for which you have been prepared to make the supreme sacrifice, all because our national bankers have swept our statesmen, politicians, journalists and jurists aside", in making decisions which rendered impossible the doing of those things which I think we all feel in our own hearts that our fighting personnel and others have earned for themselves.

Mr. FREDERIC DORION (Charlevoix-Saguenay): I should like to say a few words in order to make as clear as possible the reasons why I am going to support the amendment moved by the leader of the Canadian Commonwealth Federation party. I will admit very frankly that I am not at all an expert in financial matters, but during my twenty-three years of law practice I have seen so many cases in which the banks were involved in one way or another, that I think it my duty to say that I am in favour of the nationalization of the banks.

I sometimes wonder why the banking system is practically the only thing which has not been the object of direct control by the government since the outbreak of the war. Boards and commissions of all kinds have been created to control almost every kind of production, but we have not yet seen any board to control the production of credit. Must we come to the conclusion that finance

is something sacrosanct, that it is above all human beings, that it is so strong that no government can touch it, that it is so powerful that no government dares to control it? Would it not be true then that we are only the serfs of finance, that we are only permitted to pay tribute to it? The manpower of this country is under the direct control of the government. Every means is taken to ascertain that all our young men are called under arms. We even see orders which oblige fathers to hand their sons over to the country, to denounce them. Why do we act altogether differently when we need money? Why not submit this money power to the will and the needs of the government, as we do for the manpower. We know that at this very moment, on the eve of a most gigantic struggle, which will cost thousands of lives and the greatest suffering humanity has ever known, in Switzerland financiers of high rank representing United States, British and German finance are quietly seated at a table studying methods of bettering the position of international finance. Must we resign ourselves to the conclusion that we cannot get rid of this powerful organization? Must we understand that all our miseries, all our sacrifices, are only a tribute to satisfy the appetite of this monster? I believe, Mr. Speaker, that it is our duty as representatives of the people to do our utmost to correct this state of affairs, and one of the means would be the nationalization of the banks and their control by the representatives of the people. There may be better means, but I do not know of them.

Every day we hear about reconstruction, rehabilitation, social services, and the rest. My contention is that we shall never do anything good unless the government gets absolute control of the financial system. We often hear, as we did this afternoon, about tremendous public works which should be undertaken after the war. But where are we to get the necessary money to execute these works under the present financial system? Are we to continue borrowing millions and millions every year? This is possible at the present time because the people who lend their money want to get the war over as soon as possible, but after the war will they be ready to lend their money to the government as they do now? And even if they do, can the public debt continue going up at the rate of over two billions a year? Everyone must admit that the taxpayers are overtaxed. Can we expect to be able to draw from them so much money every year without any hope of any reduction?

Let this question of credit be settled and a great many of our problems will be solved at once. Let me remind you, Mr. Speaker, that during the depression period, from 1929 to 1939, hundreds of bankruptcies were forced by the banks. I could give you a great number of names of merchants and businessmen who could have survived if the banks had not forced them to reimburse at once and on very short notice the moneys that had been advanced to them. I think the saying is quite true that the banks make loans when business is good and refuse to do so when business is not so good. The people demand that this system be corrected. The banking system is essentially a public service and should be dealt with accordingly.

Mrs. DORISE W. NIELSEN (North Battleford): Mr. Speaker, speaking on the bill now before the house, I must admit that my chief interest is, of course, as you would expect it to be, in the proposed changes in the Bank Act dealing with the question of agricultural credits. When I spoke in the debate on the address in reply to the speech from the throne I was one of those, I believe I was one of the first of those who rose to speak, who mentioned the necessity of legislation being brought down during this session to provide for our agricultural needs facilities such as were to be provided by the industrial development bank. The proposals we find embodied in this bill do not in my opinion meet with any degree of adequacy the needs of our farming people.

I shall be able to deal with the proposals later when the bill is under consideration clause by clause. At the moment it is enough for me to say that the proposals, first of all, to allow farm implements and equipment to be used as security for loans issued by the chartered banks, and, second, with regard to the passing of a farm improvement loan act similar to the home improvement act by which the government will guarantee loss on such loans up to ten per cent, as a measure to provide intermediate credits to the farming people, cannot in my opinion possibly fulfil the requirements.

As the bill stands, I would feel it incumbent upon me to vote against it, but fortunately it is not at present before us in such a form as necessitates a definite vote against it. It will be going before the committee, where I sincerely hope the members of the committee from farming communities will do their utmost to see to it that under the act a different form of bank credits will be set up to deal with the farm situation. As the measure now stands, I think it leaves the farmers completely at the mercy of the chartered banks, as they have been for many years. In fact, throughout the whole period of western

development, particularly during the last decade, western farmers have learned to their great cost and sorrow what it means to have no other resource than the chartered banks when they are in need of loans for carrying on their farming business, which is their means of livelihood.

This bill definitely does not go far enough to meet the credit needs of the west. There is need for farm credit. I would go so far as to say that the production of food has been marvellous when we consider the fact that we have lost so many people from our farms. In the neighbourhood of 350,000 people have left our farms, and yet the production of food has gone up forty per cent. That is a marvellous achievement. But had the farmers of the west been able to have their agricultural credit or loan requirements satisfied for the purpose of equipping themselves with the various things which are necessary to enable them to increase their food production, we should have had an even more marvellous production than under the present circumstances.

There is and will be in the post-war years need to have easy credit for farmers, because all members will agree that, great as are the demands on the nation for the production of food during the war, those demands will not cease with the cessation of hostilities, and the continued increase in food production will be one of the most gigantic tasks that will face the country. Definitely, therefore, our farmers will have to have help in this direction.

In the discussion of a bill such as this, I have to be guided in my attitude by certain factors. First of all, Mr. Speaker, I must impress upon you that I represent in this house very broad sections of people from the North Battleford riding. I do not represent any one small narrow section of people there. In fact, I would remind you that roughly about 11,000 of those people in that northern riding sent me to this house to uphold first, of course, democratic principles and then to work on their behalf for all measures, whoever might advocate them or give them to the people, which would increase the living standards of Canadians, particularly of our farmers and those in the small towns and villages who depend upon the farmers for their living.

My duty—and I view my work in this house very seriously and honestly—is to vote for such concrete measures of reform as the great majority of the people in North Battleford are ready and willing to work for and to support, and I would say this again to the members of the house that in my opinion no society can move forward more rapidly than the majority of its people are prepared to move. That must be the guiding principle to those of us who are in the position of guiding and directing the policy and legislation of the country.

One thing I must make clear and it is this. Those who voted for reform and for progressive measures to make better the living conditions of the farming community belong to various political parties. People of all shades of political opinion supported the farm programme which was my guide when I came here. I, too, have ideas of my own. I myself do not hesitate at all, nor have I ever hesitated, to say that I am a socialist, and I believe that socialism will be the successor of capitalism just as capitalism was the successor of feudalism, but only as the people understand socialism, and when the great majority of them are ready to adopt it. Public ownership of banks will be a necessary part of the socialism of this country when the people are prepared and ready for it. I am one of those who believe definitely that no minority of any country can impose socialism upon the majority who are not ready for it; for that definitely would mean civil war. It would mean chaos; it might mean bloodshed, and no one who is interested in the welfare of the people can hope that social advancement has to come by suffering in that way. Suffering is something which all of us who have seen it through the years of depression would hope to prevent, not to bring about.

The majority of the people will be ready to accept socialism only when capitalism shows definitely that it is not capable of providing them further with the necessities and comforts of living which they desire.

Mr. WRIGHT: What happened in 1930?

Mrs. NIELSEN: When capitalism fails to provide employment, when it can no longer provide a living, that is the time when people begin to turn to other means and to find a way out and a solution. We have already had a period in which capitalism did show such signs of a break-down. That was during the years of depression when capitalism did not provide employment, when it did not give even the necessities of life to thousands. But it is wrong for us to-day to base our arguments upon the premise which existed in the years of depression. I would say we are foolish, and we are more than foolish, we are blind if we refuse to acknowledge and to accept the fact that this war of such gigantic and global proportions has changed the picture of the world. This war has made its impact upon all countries. It has strengthened capitalism in Canada. I do not know how anyone would disagree with me over that.

Here we are emerging after those years of war, not as a somewhat small and backward country relying almost entirely upon agriculture, but as a great industrial country. We are emerging as the third world trading nation and the fourth largest producer of the united nations war supplies.

Some people who want to socialize Canada may perhaps feel, in seeing this changed condition in Canada, that their hopes are receding; but there is emerging from this war one other factor, which those of us who are realists will have to acknowledge. We have to see that emerging from this war is something new in world relationships, something which is vast and far-reaching in consequence, a condition which might yet sound perhaps to many people as being unbelievable. There is now a recognition by the great powers that a new alignment of world forces has taken place, which may possibly continue, namely, an alignment between the capitalist nations of the world and the one great socialist state of the world, in which they not only fight unitedly against a common enemy, but where they say definitely that there is a prospect and a new horizon where they can work and cooperate together in the future for the good of them all.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mrs. NIELSEN: Mr. Speaker, before recess I was speaking about the changing pattern of international relationships brought about by the war. The three great leaders of the united nations have agreed that they, and the nations for whom they speak, are, as they put it, friends—in fact, in spirit and in purpose. This is something of great significance to the peoples of the world.

I once heard a man try to describe a giraffe to a little boy who had never seen one. After the man had tried to describe the animal to the boy, he looked up and said, "Why, there is no such animal." And so it is with this new world concept of socialism and capitalism living in peace together. Many people say that it will not work. But, Mr. Speaker, my contention is that it does work, and that it is working right now. We are fighting together, fighting for our very lives, and the blood of our boys will mingle with that of Red army boys, British boys, Tito's men, boys from the United States, Chinese—in fact men of all the nations and all peoples who are fighting with us to destroy fascism.

Afterwards, we who wish to see a better world rise out of the ashes of the old, will continue this cooperation that we have achieved during the war. Why? Because it is apparent to all of us that it is to our mutual advantage. The Soviet Union, China, the European countries, India, those countries which have borne the brunt of war to a greater degree than we have, will need to be rebuilt. They will do it more quickly if they have materials from us. Of course we should understand that the Soviet Union can rebuild her economy alone. It would take her longer to do it, but she is not nearly so dependent upon us as we are upon her. That is a fact which Canadians should remember. We need the cooperation of the Soviet Union. We know that the Soviet Union will be one of the greatest buying nations in the world after the war, and it is imperative for us that we have markets in order that our farmers can continue, and even increase the production of food; so that we can have increased employment on our farms, and better living conditions on them; so that industrial workers and returned men can have employment, and so that our national income can be kept at high levels, or even increased. This is the changing pattern of world relationships in which Canada has a place and where, for the sake of our own future, we must be one of a family of world nations.

It may be that in such a world as this it will take much longer than some of us have thought previously to achieve socialism for Canada. But it will be a world where the nations are at peace, where peace is something which we can hope will continue for many years into the future, a world where we can all within the democratic framework work for more and better reforms, a rising standard of living and an increase of home markets. For the first time in the history of the world there is the possibility now before us, a perspective of achieving socialism, slowly perhaps, but peacefully, though over a longer period of time.

I want to see social advances achieved peacefully. I disagree with those who to-day persist in saying that socialism is the economy we must have now, or immediately after the war. I disagree with those who say that immediate socialization or nationalization of the banks is imperative, and has to be brought about. If socialism is made an issue now, the forces of reaction in this country—and they still exist and are very active—will take up the challenge. Large numbers of people in Canada fear socialism because they do not understand it, and they will turn to the support of a party which leads in its denunciation of socialism, namely, the Progressive Conservative party. But if reaction in Canada—and I do not necessarily mean all those

who are members of the Progressive Conservative party, but refer rather to a group headed by the old Tory gang—ever gets into the saddle again, it means imperialist policies once more for Canada. It means power blocs being once again formed in the world; it means once again that trade will be limited to within the confines of the British empire, or perhaps a small periphery of nations around it. And, despite Mr. Bracken's clever hedging on the question, we would then necessarily have unemployment; we would have a lack of markets for the product of our farms; we would have stagnation and, finally and inevitably, we would come to world war No. 3.

If the leaders of the Cooperative Commonwealth Federation persist in making socialism an issue now, and refuse to see the changing pattern of the world, they would lead the people into the arms of such a catastrophe and would have much to answer for as time goes on. I have lived and worked among people who belong to the C.C.F. They are friends of mine. I know that all those who belong to the C.C.F. do not agree with this idea of insisting upon socialism now, under changed world conditions.

I should like to quote from some of the Gallup polls recently brought to my attention. I am not going to say that a Gallup poll is 100 per cent correct; it is not. But it is an indication of public feeling, and possibly is accurate within a margin of four per cent one way or the other. For that reason I believe it is a fairly safe indication. A while ago a Gallup poll was taken in Canada, and the result was published in the Montreal *Star* of February 23. The question asked was this:

> Which of these men do you think would do the best job of representing Canada at the peace table—Mackenzie King, John Bracken, M. J. Coldwell or some other?

I direct the attention of the house to the fact that of those people who were part and parcel of the ranks of the C.C.F. only sixty-two per cent wished to see the leader of the C.C.F. party (Mr. Coldwell) at the peace table. In my opinion they are afraid of the tendency which he is now showing, one which is not necessary and not right. We find that thirty-eight per cent of the rank and file of the C.C.F. wanted some other person. Some wanted Mr. King; some wanted Mr. Bracken, and some wanted somebody else.

Mr. SPEAKER: I have allowed the hon. member to go far afield, but I must call her attention to the fact that we are discussing the Bank Act. I hope she will confine her remarks to that subject.

Mrs. NIELSEN: I am sorry, Mr. Speaker, that you have thought I am going too far from the Bank Act, but I must point out that we are discussing an amendment offered by the C.C.F. to the measure now before the house. I would add further that the C.C.F. are asking for the nationalization or government control of the banks. I am against that, and I want to make it clear why I am against it. I must ask Your Honour's leniency in this matter, and would point out that a Gallup poll was published recently on this very question, which I believe is relevant to the debate. This is an actual question which was asked of the people.

Mr. SPEAKER: I am afraid the Gallup poll has nothing to do with the Bank Act.

Mrs. NIELSEN: I would point out that the question was, "Do you think the government should own or operate the banks of Canada, or should we continue with the present system?"

Some hon. MEMBERS: Carry on.

Mrs. NIELSEN: Among those Canadians who say that they would vote for the C.C.F., not quite half agree to government-owned or, shall we say, socialized banks in Canada. The actual figure of those C.C.F. people who want government-owned and controlled banks stood at forty-nine per cent. Those supporting the present system totalled forty per cent, and there were eleven per cent undecided.

When I consider as to how I am going to vote on this question I find that not even all members of the C.C.F. support their leader's proposals. And I have far wider sections of my people at home to consider. Not only members of the C.C.F. sent me here.

I want to make this very clear. I am not against the socialization of the banks now because I am satisfied with the banking system as it exists. I am not. There has been too much exploitation of our farmers for me to be in complete agreement with this bill as it stands. The banks have failed dismally in time of need to provide credits for our farm people.

In my opinion the greatest need of this nation to-day is for unity to win the war. That should be the overriding consideration of everyone; nothing should come before that. Unity to win the war is our first duty, and then there should be a unity of all forward thinking people after the war to build the good life for Canadians, to give jobs and security on the land and to provide peace. The issue of socialism now splits and divides our people and prevents that national unity which is necessary for the winning of the war and the peace.

Suggestions with regard to an agricultural bank have been made to the minister in the past by certain bodies, which I imagine he regards as being made up of responsible people. I should like to quote from the report of the royal commission on banking and currency in Canada which sat in 1933, the so-called Macmillan report. I do this in order to show that away back in 1933 it was considered that certain changes with regard to agricultural credits were necessary. I quote from paragraph 241 of the report as follows:

> In the first place, the fact that the provincial governments decided to engage in these experiments (e.g. making loans to farmers through provincial institutions) may well be taken as indicating the necessity of agricultural credit at lower rates of interest than prudent banking practice might seem to warrant, particularly in certain areas where agricultural production is attended by certain hazards or requires loans of a length which militates against the affording of credit by commercial banks.

And paragraph 242:

> The following is an extract from the evidence submitted on behalf of the united farmers of Ontario, as to the problem of short term credit in Ontario—"Generally speaking, within the last two years the banks have ceased to function in regard to Canadian agriculture. Agriculture is taken to be an activity, or an industry, that is not worthy of credit, and from the banking point of view I am not blaming them."

And again from paragraph 245:

> A memorandum on rural credit submitted to us by the Canadian bankers' association referred to the matter of intermediate credit in the following terms: "Assuming that the need for credit in this form is clearly a matter of sufficient national importance to warrant some action being taken by the authorities, consideration should be given to the creation of an institution financed on the public credit and to the placing upon it of the responsibility for meeting all legitimate demands."

I would stress again the farmers' need for credit. Credit should be provided for agriculture the same as it is being provided for small business enterprises. I cannot under any consideration support the proposal put forward in this bill for agricultural credits as it now stands.

When this bill goes before the banking and commerce committee I would strongly urge that that committee consider agricultural credits in the light of what has been said regarding this matter and recommend the setting up of an agricultural bank similar to the industrial development bank which is already a part of the legislation before this house. I would suggest that the committee on banking and commerce have before it delegations from farm organizations. I am of the opinion that those farm delegations would be overwhelmingly in favour of such a bank in preference to extending the coverage and power of the chartered banks as is proposed by this bill.

This is definitely the place where the government can step in in the interests of the Canadian people. Private and commercial banks have been playing a far from active role in the economy of this country. We have had to have other government agencies provide credit when the banks have failed to do so. We have already had to set up such bodies as the farm loan board, the provincial credit institutions and the central mortgage bank. The setting up of an agricultural development bank would be just one step further. This is an immediate and concrete issue upon which I believe every western member and all western people can agree. I do not think the question of the nationalization of banks is a correct matter to be discussed at this time because it tends to split and divide the unity of the people. But as we go forward I shall under changing conditions be prepared to fight for further changes, possibly when the time comes to fight and press for complete government control of the banks. I shall have plenty more to say when the bill comes before the house after having been to the committee, but at present I think this is all I shall say.

Mr. A. G. SLAGHT (Parry Sound): Mr. Speaker, I have on earlier occasions made my voice amply clear with regard to the problem of the so-called socialization of our chartered banks, the nationalization of our chartered banks as it is called, or, as I choose to put it to my hon. friends across the way, if they had their way it would mean the C.C.F.-erizing of the banks of Canada. That, to my mind, would be nothing short of calamity.

I did not have the privilege of hearing the Minister of Finance (Mr. Ilsley), which I regret, but I have read his recent address. It may not be a secret to him that in some respects I differ with the views he put forward with regard to the government borrowing of money for government needs. He indicated more than once in his remarks to this house that he desired the committee on banking and commerce to look very closely into several of the problems involved in the bill. He invited a close scrutiny and, as I understood him, the friendly criticism of members of that committee, of which I am one. I propose to avail myself of that invitation and endeavour briefly to give to the house, for the consideration of the committee, two or three constructive suggestions, which I believe or which I am hopeful he may succumb to if he is not watched too closely by his expert advisers behind the scene. I believe these suggestions would be greatly to the good of Canada and our economic system.

My first proposal is that the right to issue currency and credit shall be revested in the Canadian people and not in the chartered banks where it at present rests. The second proposal is that the Minister of Finance and the government of Canada shall not borrow for government needs by the use of debt-bearing securities sold by them to the chartered banks. In other words, new money which requires to be created, as is the case when the minister goes to the chartered banks with bonds or loans, should be spent into existence and not borrowed into existence with the debt burden incident thereto.

The minister, apparently in advance of criticism which might be offered in this debate, deprecated the course that I have just outlined. As I understood him, he was solicitous about the small or meagre profits the chartered banks have been enjoying in the past. Let me here say that I have no fight with the banks. My advocacy in this proposal is that the banks render good service and are entitled to a fair profit. My proposal is in favour of the private banks and is to help them to remain private. Because of the monopoly they enjoy at the expense of the taxpayers, it may turn the people of Canada C.C.F.-wards, and they may have the feeling that the only relief is to nationalize the banks and take them over.

The bankers are doing a splendid patriotic job in our war effort. They are among the finest and best citizens in every community. Having said that, Mr. Speaker, I am sure you will feel that my quarrel is with the system and with the monopoly the bankers enjoy, and not with the banker as an individual.

Let there be no mistake about the fact that the business of our chartered banks is a profitable one. Going back over a period of ten years, from 1928 to 1938, the ten chartered banks paid dividends on their capital at rates of 14 per cent, 16 per cent, 13 per cent, 9 per cent, 13 per cent, 13 per cent, 14 per cent, 12 per cent, 10 per cent and 13 per cent. The rates differed slightly. These dividends have been decreasing gradually, until for the six-year period from 1937 to 1941 they were 8 per cent, 12 per cent, 10 per cent, 8 per cent, 8 per cent, 10 per cent, 8 per cent, 10 per cent and so on, and it will not be forgotten that two of those years were war years.

Mr. ROEBUCK: Those are not profits, but dividends?

Mr. SLAGHT: I so stated. They are the dividends paid, and as we know, the dividends are paid on the basis of the capital of the banks. I shall come to that in a moment.

[Mr. Slaght.]

Let us see what their capital is. The original capital invested in the ten chartered banks is 145½ million dollars—no more.

I quote now from their own statements, from the statistics furnished each month from their statistical bureaux. These statistics show a reserve piled up, on top of their original capital, of 133 million dollars. They show further that the banks own, free from all charge and encumbrance, some 3,000 bank buildings spread across Canada, and their real property is valued by them at 70 million dollars. We also know that the banks enjoy the privilege of turning the crank and printing their own private bank currency. We have reduced that privilege gradually, down through the years, so that they have left now 40 million dollars of this type of their own money.

The total of these figures which I have just given is 388 million dollars, and it is my proposal that, of course, the banks should be entitled to lend and invest their capital, their original capital and their increment which they have piled up by careful management. Anybody who desires to interfere with that would be guilty of almost confiscation.

On top of that the banks borrowed from the people of Canada at what is thought to be 1½ per cent, but I am told that it actually works out at something under one per cent. They borrowed $1,600,000,000 more, and that, with the $388,000,000 gives them in the neighbourhood of two billion dollars in real wealth, which I think they should be entitled to lend at five or six or seven per cent, according to the risk. But there, Mr. Speaker, I ask that we shall call a halt, because under section 59 of the Bank Act the chartered banks have enjoyed what I call a monopoly. There is no fancy term about that. Most bodies of men if they secured a monopoly fifty or sixty years ago would be loath to part with it. The monopoly the banks enjoy is a very simple one. If they have in their strong box or in their vaults or on deposit with the Bank of Canada a $5 Bank of Canada bill, they are then entitled to lend twenty times that amount, if they keep that $5 bill there. In other words, they are entitled to lend $100 which they do not possess at all. What I object to is that we should have given or that we should permit to stay given to a favoured body of people the right to lend on the basis, as the Minister of Finance put it in answer to a question of mine to which I shall refer in a moment, of ten times more money than they have. The minister said that the orthodox recognized business of private banking is to lend ten times more money than you have. Think of it! Take a man

in the garage business with ten cars. He wants to arrange to let them out next Sunday. If he charges 100 people $2 apiece for the right to go to his garage and take away a hundred cars when he has only ten cars, you would not be surprised if he were almost indicted for fraud when you found that he walked away with money in that way. Lest my hon. friend the Minister of Finance may have forgotten what he said, may I, Mr. Speaker, indicate to you just what happened on that occasion. I quote from *Hansard* of July 15, 1942, when the minister said:

> Everyone familiar with the working of the banking system knows that the moment the banks get their hands on additional cash—I mean by that Bank of Canada notes, or deposits by the Bank of Canada which are convertible into Bank of Canada notes—when the banks get those reserves in their hands powerful forces are set in motion to get the banks to buy securities themselves, to make loans themselves, so that the deposits of the chartered banks will be seven, eight, nine or ten times as great as their cash reserves. That lies at the base of their whole profit-making activities; the way they make money is by lending more money than they have.

Let us ponder that.

> What they have is their cash reserves; and unless a bank has out several times—six, seven, eight, nine or ten times—its cash reserves, it is not being profitably, or from a banking point of view, properly conducted.

Does that sound like a monopoly, almost a racket? I do not use the term "racket" Is it not a monopoly?

The total volume of money employed in Canada as a medium of exchange consists, of course, of credit and currency, copper and silver—no gold or very little now, some fifty or sixty million dollars. They have paper money running, as the hon. member for Vancouver-Burrard (Mr. McGeer) told us this afternoon, up to $1,200,000,000 or $1,300,000,000, issued to the people to do business with. That is Bank of Canada currency. Other new money by way of national currency is created by the banks themselves, although under the British North America Act, which is our constitution, by section 91 the dominion parliament was given jurisdiction over public debt and property, currency and coinage, banking and the issue of paper money. But we have peddled the privilege out to somebody else. We have made a concession of it, and we have done it in the Bank Act which is now to be revised.

Mr. KNOWLES: It is not peddled out; it is given away.

Mr. SLAGHT: My hon. friend's phrase is perhaps more dignified. I should not have said "peddled" because, after all, there were no competitors. A man came along for ten bank charters, and he must have smiled because he simply walked away with the ten charters and with this tremendous monopoly to do something that nobody else in any other kind of business can do, namely, take money for pretending to lend to somebody something that he has not to lend. That is the situation.

If the Minister of Finance wants to get $2,000,000 he has these courses open to him. He can walk down to Wellington street to the Bank of Montreal with a bond, a twenty-year bond with coupons at three per cent, which means $600,000 which the taxpayers will have to pay in interest before the bond is redeemed, put it through Mr. Spinney's wicket, and be credited in the Bank of Montreal with one million dollars. That is that transaction. Or he can go over to Mr. Graham Towers in the next block, take the same Canadian bond, put it through Mr. Towers' window and be credited with one million dollars. In the one case the taxpayers pay $600,000 over a period of twenty years; in the other case they pay nothing, because, as we know, the Bank of Canada, receiving interest, receives it for the people and the Dominion of Canada.

Somebody says, "That is so simple that surely it cannot be true." Of course it is true. There are only two reasons I have ever heard advanced why we ought to perpetuate that monopoly, and I will give them to the house one at a time. The first is, as I have said, that the Minister of Finance is solicitous about the revenue of the banks. He says, "Surely that is not too much money they are making." Well, I gave it to you, Mr. Speaker, that for ten years one bank was paying dividends on its capital amounting to sixteen per cent: in six years they got all their money back and had "velvet" for the rest of the time. Let that go if you like; but just take the minister's figures which he put on *Hansard,* at page 2550, in the statement of current operating earnings and expenses, and let me recall to the house what the banks' story for last year shows, and then see if we should be too solicitous about taking away this monopolistic privilege which never ought to have been given to them. The minister's statement shows that they earned or made in revenue last year $60 millions, because that is the intake they had on money they lent out to their customers—the commercial banking business earned $60 millions. The next and second item of revenue was $48 millions of interest on securities which they held, and that carries a good deal, because tucked away in the strong boxes are securities of the amount of $2,000 millions of the Dominion of Canada, and on those securities part of that

revenue of $48 millions was received by the ten chartered banks. The third and only remaining item of revenue is $35 millions which they received, if you please, for commissions and service charges. Service charges and commissions! And we have had a bugaboo put forward by the bankers' advocates, "Oh, if you take this God-given monopoly away from them they will begin to charge you service charges."

I had occasion to revise a little grocery business in a small town at the request of some friends; I had no financial interest in it. It is a small town and a small business, and that business had occasion, in order to carry on business, to borrow on good securities some $6,000, as liquid capital, on which they pay the bank seven per cent. For three years that business has been paying ten dollars a month, $120 a year for what are called service charges. I did not count the cheques; but I do not suppose that, including payments to their wholesale houses and their help, they have issued over twenty-five cheques a month; yet they pay $10 a month in service charges. That, in part, is how the item of $35 millions is made up in last year's banking business.

The total of those three sources of revenue is $144,500,000. That is gross revenue—just about, strange to say, the total capital of the banks—received by them in one year. But you say, "You cannot look only at that; you must see what it costs them to earn that money." Let me tell you that the profit on that revenue before taxation is $47 millions on a capital of $145,500,000. How is that made up? You will find from my hon. friend's own figures that their total expense of doing business last year, including $15 millions of taxes, was $114,900,000. Deduct that from $144,500,000, and you have a profit of about $29,500,000. But they paid our government in taxes $15 millions, and then there is a further $2 millions of revenue shown in the statement. So that if you add $29,500,000, $15,000,000 and $2,500,000—for the moment I want to see how they are doing in business before they meet the tax-gatherer—you have $47 millions of profitable revenue from the needy people of Canada on a capital of $145,500,000. I cannot shed any tears over a business which gets along at that rate of going. Now, $47 millions on $145 millions would be what? It would be about thirty or thirty-one per cent. And they are getting away with it.

I do not know about the taxation of banks; I have not studied the structure, but that is the straight picture of how these ten chartered banks carried on last year, and my authority for it is the Minister of Finance, at the page I have cited in *Hansard*.

[Mr. Slaght.]

I believe that, instead of having in their strong boxes $2,000 millions of good Canadian government interest-bearing securities, they ought not to have a dollar. I have shown you where they get the $2,000 millions: there is the $388 millions of their own and the $1,600 millions that they borrowed. Note that people who have saving accounts must give notice before they withdraw their deposits. I contend that the banks should not have a dollar of debt-bearing certificates. If you analyse their own statements you will find—I asked this on the 9th of March—that they do not disclose how much of provincial and how much of dominion securities they hold. The answer I received was, "We cannot tell you because they do not separate the provincial and dominion securities." But the minister will tell the house, I am sure, that the great bulk of the securities held by the chartered banks are dominion securities and that less than one-fourth are provincial securities. I have worked out the interest at three per cent on the long date securities. There are $700 millions of bonds over two years maturities. Three per cent on that is $21 millions. Then I have worked out on the balance at three-quarters of one per cent making $7 million. There is $24 millions rolling into the chartered banks last year because they took a pen and a ledger and made a bookkeeping entry in it. Nothing more or less did they do.

But my hon. friend the minister says, "Oh, you are forgetting; when I went to the chartered bank with my million-dollar bond and got a credit of a million dollars I immediately began to check that out to the John Inglis firm and the farmers and so on, using it for government needs, and then the people getting these cheques would go back to one or more of the ten chartered banks and deposit it in there, and the bank had to service that amount." My point is this. The banks should certainly receive remuneration for *servicing accounts*, but please do not let the taxpayers and the little fellows pay out of their taxes for the servicing of the accounts of great firms like the John Inglis or the T. Eaton or others with all this enormous checking business. I daresay that there are some people in Canada who never had a bank account in their lives, either savings or current, and I venture to say that the great majority of the people, farmers and industrial workers, do not go to the bank with cheques or use a checking account more than five or six times in a month. So that over the year the service the little follows get is very slender indeed. But they are paying the piper just the same through this monopoly.

Let me endorse every word my good friend the hon. member for Vancouver-Burrard (Mr. McGeer) said to the house this afternoon about an optimism for the future. I agree with him and with the gifted lady (Mrs. Nielsen) who just sat down that the winning of this war is the important thing, first, last and always. But we have reached the stage in our economic picture where, if all our concern about looking to the future and raising the morale of our people is more than empty language, I think I may suggest that the small man in this country is grossly overtaxed. The unmarried man with an income of from $660 to $1,200 has paid in practically $100 a year in taxes on the average. There are some 300,000 of them in last year's tax brackets who paid in a total of $32,000,000. These are approximate figures. There are 300,000 little fellows, not getting $100 a month, who paid in $32,000,000 in personal income tax of a total revenue of $882,000,000 which we derived from that source. I am leaving out the corporation taxes. That is to say, of $882,000,000 of personal income tax received last year, the little fellows, numbering 300,000 and receiving between $660 and $1,200, furnished $32,000,000.

Take the married man who earns from $1,200 to $1,800. He does not begin to pay, when married, until he receives $1,200. In that group there are 650,000 taxpayers, married men, who pay on incomes ranging from $1,200 to $1,800 a year, a total revenue of $55,000,000. So that there are two groups of small fellows, one group numbering 300,000 and the other numbering 650,000, or 950,000 altogether, from whom under our system we exact the amount of taxation I have indicated. Of all the wicked taxes—well, let me say that of all types of taxation that men resent most, this form of taxation is the hardest, although our Canadian people have had splendid fortitude and courage and have "taken it" because they regard it as necessary for war purposes. In the personal tax columns there are only 2,100,000 taxpayers, so that 950,000 small taxpayers, nearly half the total in Canada, contribute in personal income tax $87,000,000 to the treasury, out of a total of $882,000,000 paid in.

I beg the Minister of Finance to raise the morale of the people of Canada by cancelling all taxes in these brackets. He can do so if he will only finance through the Bank of Canada and not through the chartered banks with debt-bearing securities. He can do it and lift the morale of the people and improve the financial position of the country in a way that will put fresh courage into everybody.

I have spoken longer than I intended and I must draw to a close.

Mr. HANSON (York-Sunbury): The minister says that will be inflationary. What has the hon. gentleman to say to that?

Mr. SLAGHT: I am glad the hon. member asked that. I might have forgotten it. I will give the minister's own words. The minister has admitted, in *Maclean's* magazine, in November last, in a considered article, answer No. 16 of a number of answers, that if you take away this monopolistic privilege to which I have referred, the privilege of lending money you do not have, and just change one word in section 59 of the act making it 100 per cent of current account holdings instead of five per cent, there is no more inflationary effect in borrowing money from the Bank of Canada than there is in borrowing from the chartered banks. Let me put him on record now for that answer.

Mr. ILSLEY: I admit it.

Mr. SLAGHT: That is refreshing. There were some doubting Thomases across the way. The minister, however, is too good a lawyer and too sound an economist to try to tell us anything else. But let me tell you, Mr. Speaker, that many people have gone up and down the country for many years trying to stuff us with the statement that if you borrowed money from the Bank of Canada you would boost prices until you blew the lid off. But what did he tell me two years ago from his seat in the house? I proposed on that occasion that we might borrow a billion dollars from the Bank of Canada, and we had outstanding then only $400,000,000 of Bank of Canada issue. "Oh", he said, "it would blow the lid off."

Mr. ILSLEY: It certainly would with a five per cent ratio.

Mr. SLAGHT: But it is the minister's government and they can strike that five per cent ratio out to-morrow morning with the aid of the banking and commerce committee, and that is what I want done. I appeal not only to hon. members opposite, but to the government of which I am a supporter, to do that. What is the harm in doing it? Let the minister tell us when he replies to me. Of course, the banks would lose a little money; but do you not think they will wiggle along on the figures I have given you?

Inflation is a bogey that has helped to keep this monopoly linked around the neck of the taxpayer of Canada all too long and I think we ought to explode it. I propose to join with my hon. friend in the banking and commerce committee if we have to stay

here all summer to try to see to it that that bogey goes down the Rideau canal where it belongs.

Mr. JOHNSTON (Bow River): And all those who oppose that effort.

Mr. SLAGHT: My hon. friend is bloodthirsty.

One more quotation and I am through. I had a little difference—well, not a difference, because my hon. friend could not say anything to me to make me really differ from him, but in 1942 we had a friendly agreement to differ in discussing this topic. I was urging him then, rather against a stone wall, to do his borrowing from the Bank of Canada and leave Mr. Spinney's bank alone, for government purposes. He said, "No, we will not do that because it might cause inflation"; and he says to-night that if this government were ready to strike out the five per cent and put in 100 per cent it would not cause more inflation in borrowing from the Bank of Canada than in borrowing from the Bank of Montreal.

A strange miasma comes over financial experts. I do not think it has come over the brow of the minister, but I think some of those behind him possibly have become so wedded to banks and bankers and a bad banking system that they cannot give it up, because this is what the minister told the house on July 15, 1942, as reported at page 4606 of *Hansard:*

> We would borrow from the chartered banks before we would borrow from the Bank of Canada even though we had to pay a little interest to the chartered banks but not to the Bank of Canada, or if we did pay interest to the Bank of Canada we would be paying interest to ourselves.

Let him tell us why. That is a courtship of the chartered banks that I do not understand in the Minister of Finance. There is no rhyme or reason behind it. He told me that it would blow the lid off if we borrowed a billion dollars. The lid has not even quivered. He has had splendid controls in his price control and his foreign exchange control. He has done a magnificent job, putting Canada, as my hon. friend said, in the first rank of nations in that regard. But should we be fools any longer and submit to a monopoly of this kind when we could show the people of Canada how to create new money when we have to? War causes us to have to create new money, and I think in peace time we shall have to create some new money too. I beg of you all to examine into this question. Somebody says, "funny money". There is no funny money about this proposition. That is another red herring that is drawn across the trail. I would ask you to look into it, examine it; and then I do suggest that when we meet in the banking and commerce committee we shall take the scales from our eyes at least on this bugaboo of inflation. If we do that we can use the national credit of Canada as the Prime Minister, the leader of my party (Mr. Mackenzie King), said in 1933 it should be used, for the public need and not for bankers' greed.

Mr. HOWDEN: Before the hon. member sits down I should like to ask him a question to elucidate the problem. Would the hon. member for Parry Sound follow through the million dollar transaction to its ultimate end?

Mr. SLAGHT: Certainly. There were two. I will take the one of the chartered bank first, the bank of Montreal. They lock up the bonds. The principal was $1,000,000, with $600,000 in coupons over twenty years.

Mr. HOWDEN: What happens to the principal?

Mr. SLAGHT: The principal is never repaid, has not been since confederation. A new bond is issued for twenty years. When that new issue comes out the old bond is turned in and a fresh one is taken with a fresh set of coupons for another twenty years.

Mr. HOWDEN: That is an outstanding debt?

Mr. SLAGHT: That is an outstanding debt against the government.

Mr. HOWDEN: You have to pay it some day.

Mr. SLAGHT: Of course it ought to be paid some day, but I may tell my hon. friend that it has not been paid since confederation. We have had a steady increase in our debt. It is now $14,000,000,000 when you add the provincial and municipal debts.

Mr. HOWDEN: What I want to know is this: that million dollars stands as a debt against the dominion?

Mr. SLAGHT: Yes.

Mr. HOWDEN: For all time, until it is paid?

Mr. SLAGHT: Certainly.

Mr. HOWDEN: When it is paid the banks receive one million dollars for which they have given nothing but service transactions?

Mr. JAQUES: When it is paid there will not be any money.

Mr. SLAGHT: May I say to the hon. member for St. Boniface (Mr. Howden) that his statement is not correct. When they credit the account of the finance minister with one million dollars he cheques against it all around, as I indicated, and ultimately those cheques all come flowing back into that particular bank, or nine others, and therefore the banks as a whole. We have to look at the ten of them as one, for this purpose at least. The banks as a whole have on their books a promise to pay another million dollars, and that is an obligation of the bank. Therefore they have done something. They have agreed to pay, and if it was ten dollars and you walked in with a cheque they would cash your cheque and you would go away with the money—the same would apply to a thousand—

Mr. McGEER: You never do that.

Mr. SLAGHT: I do sometimes, I am afraid. Does the hon. member wish me to follow the second transaction?

Mr. HOWDEN: No. It was the first transaction I had in mind.

Mr. SLAGHT: It creates an obligation. Suppose the finance minister chequed that whole borrowing of one million dollars to the one firm, the John Inglis company, and they dealt with the bank of Montreal, and that cheque is chequed in the next day and deposited in their current account in the bank of Montreal; the finance minister is then debited with the million dollars. He has nothing, but the bank owes one million dollars to the John Inglis company, and they could come in and take that in currency if they wanted to. That is the transaction.

Mr. HOWDEN: I should like to ask another question. The bond is taken to the bank and exchanged for an entry in the books of the bank for one million dollars—

Mr. SLAGHT: And they give you a little passbook too.

Mr. HOWDEN: Who owns that money?

Mr. SLAGHT: The bank owns the money. The bank has given you as their customer nothing more than a promise by them to pay you a million dollars when you come and ask for it, and they pool your million dollars with everybody's else million; it goes into one pot, and you do not own it any more. You have exchanged your million for a promise from the chartered bank to pay you a million dollars the minute you come in and ask for it. That is all there is to it.

Mr. HANSON (York-Sunbury): They give you credit.

Mr. SLAGHT: It is bank credit; and ninety-five per cent of the business of this country is transacted with cheque money, bank credits, just in that way.

One word more; I thought I had finished. The owners of the stock of the chartered banks—

Mr. SPEAKER: The hon. member's time has expired.

Some hon. MEMBERS: Go on.

Mr. SLAGHT: Thank you. I will not trespass. I shall be but a moment. It is an interesting reflection to know that the owners of the stock of the ten chartered banks of this country numbered on December 31, 1942—I have not the figures for last December—51,071. That is the number of individual shareholders, corporations and different shareholders. Fifty-one thousand shareholders owned all the stock of the ten chartered banks and, as hon. members will see, that number constituted one-quarter of one per cent of the people of Canada. The other 99¾ per cent of the people of Canada have not and probably never did have in their lives a bank certificate or a share of bank stock. I venture to say that if a poll of the House of Commons were taken on how many hon. members owned a share of bank stock in their lives, not more than six men would stand.

Mr. JACKMAN: Who wants one?

Mr. SLAGHT: Therefore, one quarter of one per cent of the people of this country is in possession of that tremendous monopoly and the taxpayers of the country are paying the shot.

Mr. HANSON (York-Sunbury): Does my hon. friend suggest that the stockholders of the bank paid only par for their shares when he is figuring out the money? I suggest that the present shareholders of the chartered banks paid very much more than that.

Mr. SLAGHT: That may well be so. I am taking the picture of a business that has a certain amount of real money in it, and the rest is gravy or velvet, or whatever you want to call it. The only real money in the chartered banks that anybody ever put in there is $145,500,000.

Mr. HANSON (York-Sunbury): No; some paid a premium of 100 per cent to the banks after they started or before they started.

Mr. SLAGHT: I would be glad to know the figures of some of them, and who they are.

Mr. HANSON (York-Sunbury): I shall try to get them.

Mr. SLAGHT: That being so, my statement would have to be amended to that effect.

Mr. COLDWELL: And just to that effect?

Mr. SLAGHT: And just to that effect.

Mr. JACKMAN: Plus reserves.

Mr. SLAGHT: But, I suggest, you will not get the amount of $145,500,000 up to anything like the figure of two billion dollars.

Mr. D. C. ABBOTT (Parliamentary Assistant to the Minister of Finance): I think I will follow the tradition established by many of the speakers who preceded me and preface what I have to say by stating that I really had no intention of taking part in this debate, but I cannot resist the temptation of making a few comments on the views which have been expressed by my good friend the hon. member for Parry Sound (Mr. Slaght). I shall not be able to do so in the picturesque and colourful manner in which he has presented his views, but I am going to try to set forth as well as I can what I conceive to be the true basis on which the banking system of this and most other countries that I know of operate.

I do not want to offend my hon. friend, but I wish to say at the outset that, in my opinion at any rate, the views which he has expressed as to the function of a commercial bank and the way in which it operates are complete nonsense.

Mr. HANSON (York-Sunbury): Not quite as bad as that.

Mr. SLAGHT: Forgive him; I do.

Mr. ABBOTT: Thank you. I am going to try to set out how I believe a commercial bank operates. In the first place, when a commercial bank brings new money into existence by granting a loan or by making a new investment, either of which automatically creates a new deposit, it does not acquire any ownership in the deposit. It merely increases the volume of money which is owed by one section of the community, the borrowers, to another section of the community, the depositors. That, I think, is a statement which cannot validly be contradicted. That, I submit, Mr. Speaker, is true. When a bank makes a loan, brings into existence new money by making a loan or by making an investment, either of which, of course, automatically increases its deposits, it does not own the new money; it merely increases the volume of money owed by one section of the community, namely the borrower, to another section of the community, namely the depositor.

The whole banking system is subject to the same laws as those to which any other business operation is subject. Its transactions yield a margin of profit over and above its cost of operation. The bank, in fact, is not any different from the merchant who makes a profit on the sale of goods or merchandise. What the bank deals in is money or credit. Its net profit is the difference between what it receives on its loans, or on its investments, and what it pays in interest on its deposits, or what it incurs for expenses and overhead charges.

The contention is made that the public cannot create credit for itself, but that the banks can and do create credit, and having created it they lend it to the public at terms which involve repayment to the banking system. That is not true. That overlooks the fact that the banks cannot create credit for themselves, although they can, and of course do create it for the service of the public.

Mr. SLAGHT: Will the hon. member permit a question? I will read to him what Mr. Graham Towers said on that subject—and it is covered in eight lines. At page 238 of the report of the banking and commerce committee for 1939 this is what we find:

> Question: When $1,000,000 worth of bonds is presented (by the government) to the bank, a million dollars of new money or the equivalent is created?
>
> Mr. Towers: Yes.

Mr. ABBOTT: I said that. The volume of money in circulation is increased. What happens with the case which my hon. friend has given is this: A commercial bank buys a million dollars worth of securities from the government. It then acquires an asset in the form of a million-dollar bond. It pays for that bond by issuing its cheque on itself to the government, or by placing to the credit of the government in its books a credit of a million dollars. Therefore the liability on the one side is a million dollars to the government, which it has placed to its credit, and on the asset side of the ledger is the million-dollar bond which it purchased.

What happens to the million dollars which is placed to the credit of the government? The government takes it out to meet payments—payment of our indemnities, or possibly to pay a contractor. And what happens to that money when it is received by the contractor? It goes back into the banking system again, as a deposit, that is to say as a liability of the bank. The only effect of that transaction is that the bank's creditor then becomes you or I, or some other hundred or thousand people, to whom proceeds are paid

out, instead of the government. In other words, there is always a liability for the asset which the bank has. The bank in that case is merely acting as middleman to enable the government to borrow a million dollars from the public.

Mr. BLACKMORE: Would the hon. member permit a question? Will he concede that the million dollars that is used is new money?

Mr. ABBOTT: I am endeavouring to make as brief a presentation as I can, of what I consider to be the operations of a commercial bank.

Mr. BLACKMORE: The hon. member is trying not to be confounded.

Mr. ABBOTT: I would be glad to answer any questions after I have finished.

I wish to illustrate the point I have made by tracing the life history of a simple bank loan. I shall not talk about large amounts, like my hon. friend, but shall take just the ordinary case of a borrower who wishes to borrow a thousand dollars from a bank. I have in mind the small business man who has to borrow a thousand dollars. His credit is good, and he says to his banker, "I want to borrow a thousand dollars." His banker says, "I am prepared to lend it to you."

What happens when that transaction takes place? The borrower gives his note to the bank for a thousand dollars. It then becomes an asset of the bank, and of course a liability of the borrower. At the same time the bank places to the credit of the borrower in its books the sum of a thousand dollars, against which he may draw cheques. Now, if the transaction did not go any farther than that the position of the bank would be simply this: Its profit would be the difference between the interest which it received from the borrower on his note for a thousand dollars, and the interest which it paid to him if he put it in a savings account, and the general cost involved in overhead.

But of course that is not what happens in the ordinary transaction. What happens is this, that the borrower makes use of his credit to the extent of a thousand dollars to pay accounts, or payrolls, or to purchase materials which he wishes to acquire. Let us take a simple case: Supposing this man, Jones, pays a thousand dollars to the man Smith, to whom he owes a thousand dollars because of purchasing materials or supplies. What is the position of the bank at that time? The bank still has the asset in the shape of Jones' note for a thousand dollars, representing the loan which it has made. And its creditor is now Smith, instead of Jones, to whom the loan has been made. In other words, it is acting as a middleman between Jones as the borrower and Smith as the lender. Instead of the bank being the lender, in effect Smith, to whom the cheque has been made, and who has deposited the proceeds of the cheque either in the same bank or in another bank, then becomes the creditor. Of course, what actually happens in practice is that instead of checking out the whole proceeds of the loan to one creditor, the borrower will issue perhaps ten or twenty or a hundred cheques to different persons to whom he owes money, and from whom he wishes to obtain credit. Those cheques in payment go into the banking system, and the persons who receive them become depositors with the banking system, and are thus substituted as creditors in place of Smith, the original borrower.

The reason, of course, why the banks insist upon adequate security for their loans is that they have to assure themselves that the borrower is going to be able to complete the circuit of the deposit, and pay back his loan when it becomes due. What actually happens in connection with the sample loan I have been describing is that in due course the borrower—Smith, if you wish—who has borrowed the money from the bank in order to pay Jones, Brown and Robinson, eventually collects from some of his own debtors to whom he sold goods, or otherwise, and brings the proceeds back to his bank. He then extinguishes the debt of a thousand dollars which he has contracted towards the bank.

In other words, one can look on each bank loan as having a positive and negative element. The negative element is the liability of the borrower to the bank for the amount of the loan, and the positive element is the deposit credit which the bank gives him for the proceeds of the loan. When the negative and the positive come together again the loan is extinguished, and the money which was circulating up to that time passes out of the flow, out of circulation. That, briefly and sketchily is the history of a small bank loan.

The next point I wish to make is that neither by bringing a unit of credit money into existence nor by cancelling it does a banking system ever gain or lose an asset which is not balanced by a liability similarly gained or lost. I think I demonstrated that point by the example I gave a moment ago. Throughout our banking transaction, the banker benefits only from the circumstance that as a dealer in credit he charges more for the loan which he makes than he pays to his client for the amount which he borrows from that client by way of deposits, or which he has to pay out for his salarial or other overhead charges.

The difference between the amount he receives as middleman on the loans which he makes, and the interest which he pays on his deposit liability—because, remember that every loan means an equivalent deposit—is the difference between what he charges on a loan which he makes, and which he has to pay on his deposit, and what he has to pay out for the cost of operating his bank, or for other purposes.

It seems to me that the clear conclusion to be drawn from that is that the action of the commercial banks in issuing and in retiring credit money does not create any community debt except the one which is owed to the community itself. The balance of assets and liabilities, both on the side of the banking system and equally on the side of the public, remains undisturbed. The only effect of this operation is to increase or decrease the total volume of money which is circulating in the community. The real fact of the matter is that the only justifiable criticism which can be levelled against the banks in this matter of creating new credit is that they are able to increase their business with little or no additional use of their own capital. As has been so often pointed out in this house by the Minister of Finance and others, the central bank is in a position to control the extent to which the banks are able to increase the amount of loans and therefore the amount of deposits which they are able to carry.

Mr. HANSON (York-Sunbury): What about this debt-free money from the Bank of Canada? Let us hear you on that.

Mr. ABBOTT: I will come to that in a minute. I am just trying to outline the general process of commercial banking, and that leads me to the point I was just going to make. At any given moment the debts which are owed by the community as a whole to the banks are exactly balanced by the claims which the community has against the banks. The function which the banks perform in effect is nothing more than a recording of claims by one part of the community as creditors against another part of the community as debtors.

The hon. member for Parry Sound (Mr. Slaght) dealt with the purchase of securities by the banks. I touched on that a moment ago. It is sometimes urged that the banks obtain securities for nothing. Of course they do not do anything of the kind. When they purchase securities and pay for them by cheques drawn on themselves, as is done in ordinary cases, those cheques return to the banking system as deposits, and the system as a whole has gained an asset, the investment, but has incurred a liability, the amount of the deposit.

Mr. McGEER: There is the toll-gate of interest.

Mr. ABBOTT: There is a difference in interest, in what the bank receives on the investment and what it pays on the deposit, or what it incurs in operating its services as a bank in the way of payment of salaries and so on. I do not think the hon. member for Vancouver-Burrard will challenge that statement.

Mr. McGEER: I say that is the toll-gate.

Mr. ABBOTT: It boils down to the question of whether the profit which is earned by the bank is excessive. I think the minister demonstrated pretty satisfactorily in his statement the other day that that margin of profit is not excessive. If it were excessive then I ask myself why it is that the banks have not paid larger dividends than they have, or why they have found it necessary to reduce their dividends as they did not so long ago.

Mr. HANSON (York-Sunbury): That is easily answered; because of taxation.

Mr. ABBOTT: If the banks could manufacture money, manufacture cash as some people seem to suggest, they would be completely independent of the central bank. They would not have to provide themselves even with shareholders' capital. They would be able to secure whatever profit they desired, regardless of what their business losses might be. Our common sense tells us that that is not the case. I repeat what I said at the outset of my remarks, that the operation of a bank is in its essence no different from the operation of any other business. They are dealing in money, in credit, and they make a charge for their services, which charge is somewhat greater than they are obliged to pay in operating expenses or in interest on their liabilities. The difference between those two items represents their margin of profit.

I want to conclude after this rather brief summary of what I conceive to be the ordinary operation of a commercial bank with some reference to this question of borrowing from the Bank of Canada, what the hon. member for York-Sunbury (Mr. Hanson) referred to as debt-free money.

Mr. HANSON (York-Sunbury): So-called; I did not call it debt-free money.

Mr. BLACKMORE: Who called it debt-free money?

Some hon. MEMBERS: Order.

Mr. ABBOTT: The hon. member for Parry Sound put forward the suggestion that the govermnent should borrow a million

dollars or $100 million or whatever it needed from the Bank of Canada instead of borrowing from the commercial banks. Let us see just what that would involve. The government would go to the Bank of Canada and would hand the Bank of Canada a treasury bill or a promissory note or whatever you like for the $100 million. The Bank of Canada would place $100 million to the credit of the government. The government would proceed to draw cheques on it and pay it out to various people, contractors, farmers and others throughout the country. As my hon. friend suggested, that $100 million would in very short order be deposited in the various chartered banks.

It would then become a liability of those banks and either they would have to pay interest on it, or if it went into current account, which does not carry interest, they would have to provide all the services which go to the operation of the account, including chequing privileges and the like. As I understood his argument, it seems to me that he suggested that there should be pretty close to 100 per cent reserve, that with respect to this government borrowing the bank should be required to hold 100 per cent reserve against it. When they received cheques on the Bank of Canada from their various customers throughout the country and deposited them with the Bank of Canada they would then receive a credit on the Bank of Canada's books on which they would get no interest. Therefore they would earn nothing on that asset, although if it all went into savings account they would have to pay back interest at the present rate of one and a half per cent. Obviously there would be no inducement to the banks to accept deposits of that kind.

Under the existing system, with that $100 million deposit with the Bank of Canada their cash reserve would be increased by that amount, which would enable them to lend and thereby create additional deposit liabilities legally up to twenty times, but in practice ten times. The result would be that they could expand their loans and their corresponding deposit liabilities by one billion dollars, upon which they would earn whatever rate of interest they might be entitled to receive, two, three or four per cent. That would be the ordinary operation.

As I understand him, my hon. friend suggests that instead of doing that they should be required to maintain that $100 million in Bank of Canada money upon which they would earn no return. He says that that is perfectly all right because the banks are making so much that they can afford to do that anyway.

Mr. McGEER: Or pay a service charge.

Mr. ABBOTT: I can see no difference between paying a service charge and paying interest, as we are doing with treasury bills to-day, of three-quarters of one per cent.

Mr. McGEER: The people who get the service would pay for it; the rich man would not receive services paid for by the poor.

Mr. ABBOTT: Who would pay the service charge?

Mr. McGEER: The man who got the service.

Mr. ABBOTT: My hon. friend is suggesting, I suppose, that the banks could charge twenty-five cents for each cheque that is cashed.

Mr. McGEER: Why twenty-five cents?

Mr. ABBOTT: The hon. member for Parry Sound did not suggest any service charge. I am simply pointing out that his suggestion was that $100 million should be retained by the bank as a non-earning asset as a deposit with the Bank of Canada. That is nothing more than saying that we are asking the banks, their depositors, shareholders and the people who are using them to make a forced loan to the government of that amount. That is all it is; it is a forced loan for that amount from a particular class of the population. If we are going to make forced loans—

Mr. TUCKER: Just to clear up that point, I should like to ask one question.

Mr. ABBOTT: I wonder if my hon. friend would let me finish and then I will try to answer him.

Mr. TUCKER: If my hon. friend does not want to answer it now, all right, but I think he is proceeding on false premises. The 100 per cent reserve presupposes that you can lend the amount you have. If you have $100 you can lend $100 and no more. Is that correct?

Mr. ABBOTT: I do not want to get into a ring-around-a-rosie discussion on lending $100. But, for example, start with a $100 credit with the Bank of Canada. That is checked out to my hon. friend the member for Rosthern, we will say. He receives a cheque from the government on the Bank of Canada for $100 and he then takes it to his own bank, whichever it may be, and deposits the cheque with that bank. Let us say it is the Royal Bank of Canada. The Royal Bank of Canada then becomes the holder of the $100 cheque on the Bank of Canada. It presents that cheque to the Bank of Canada and is credited on the Bank of Canada books with $100. What is the

position of the Royal Bank at that moment? It has an asset in the form of a $100 credit with the Bank of Canada, and it has a liability to the hon. member for Rosthern in the form of his deposit of $100. The transaction must stop there. The bank cannot lend to somebody else the $100 deposit which it has in the Bank of Canada because it needs that $100 to offset its liability to the hon. member for Rosthern. So that if that is all there is to it, the transaction must stop there. It has a liability to the hon. member for Rosthern of $100 on which it may be paying him one and a half per cent interest in a savings account, and it has a corresponding asset of $100 with the Bank of Canada on which it would be earning nothing. That is the way I see it.

I think I have concluded what I had to say. I was saying that the suggestion which has been made of borrowing from the Bank of Canada our credit needs and allowing that to go out into the banking system, with the banking system holding that credit with the Bank of Canada and not able to use it, would be nothing more or less than asking the shareholders of the banks, the depositors of the banks and the borrowers from the banks to make a forced loan to the government of Canada, and I was going on to say that if we are going to ask for a forced loan, let us ask it of all classes in the community. My belief is that since the burden has to be borne by somebody, that is better done by a system of taxation where you can impose the burden on the basis of an approximate equality, in accordance with ability to pay. That is my view. This system of asking the banks to receive a non-earning asset, and yet on the other side of the balance sheet to have to incur liabilities either for interest or otherwise, I can see no justification for on any basis you want to take it, and that is exactly what this proposition means. It may be because of four or five generations of New England Yankee ancestry behind me that I am always suspicious of the idea of getting something for nothing. I have usually found that you get it at the expense of somebody else, and this proposition seems to me just one way of trying to get something for nothing.

Mr. NORMAN JAQUES (Wetaskiwin): Mr. Speaker, during the course of his speech the Minister of Finance (Mr. Ilsley) remarked that we did not hear much about social credit these days. But after listening to the speeches of some hon. members during this debate, I think the members of this group have every reason to be proud of their pupils in this house.

[Mr. Abbott.]

Last winter it was my privilege and pleasure to spend two or three weeks in Scotland with the founder of social credit, and during the course of our conversations I jotted down a number of his remarks with regard to social credit. Among other things he said:

Our opponents always try to label social credit as a "funny money" stunt. We reply that social credit is the enemy of monopoly. We are builders, not wreckers. We aim to establish every man in his own right. This is the antithesis of the totalitarian state.

We hold that the state is not above the individual. The Left take the line that if they get control they will have divine right. We did not dispose of the divine right of kings in order to set up the divine right of an abstraction called the state, and it is of no use to set up to do better with a totalitarian policy.

This fallacy is illustrated by a story of McKenna. "If he was to be the governor of the Bank of England he wanted the powers of the governor to be strengthened. If not, he wanted the governor to be deposed."

Political power never disappears. If I lose it, somebody else gets it. Power is also transferred to the centre, and if you get a state of affairs where all power is transferred, then you have only to get control of one sanction and you can appoint an administrative bureaucracy outside of which nobody counts at all. There is only one way of dealing with that. We have got to decentralize power, to get back to the point where the individual is the focus of policy. All are to have enough power to prevent the individual next to them from taking it away from them.

Broadly speaking, we are not planning a new world but to confirm everybody in what they have got and want and like. Present financial policy is to transfer from private to so-called public holdings. By a stroke of the pen all private possessions could be taken away. Social credit defends profit but attacks interest—usufruct against pen and ledger. We want a dividend of facts not of figures. The conflict is not new, it is very old indeed. Kings having been disposed of, big business is planning to get control of bed, board and clothes and make no mistake about it, by a system of crown leases, the internationalization of big industry, and a pseudobureaucracy of big business officialdom. There is to be no competition, but a system of rigid control. As Lord Lothian said, "Peace comes from overwhelming law supported by overwhelming power."

It is commonly said that the government is going to do this, that and the other thing. Fundamentally that is not social credit, which is to place at the disposal of the individual the power to chose one thing at a time. Here in Scotland there is complete freezing of building; fifty licences are required to try to get done what is in practice refused. We believe that if a man has a good proposition, and you agree with it, let him have the money to carry it out, but—you cannot do business collectively. We social crediters are anti-centralization and anti-supreme state.

These are some of the remarks which I jotted down and I think are worth recording, since they are the words of the founder of social credit himself.

While I was in England last winter I attended several sessions of the House of Commons and talked with a number of members of the house, mostly Conservative. I think it would do some of the Conservative members of this house good to hear what Conservative members of the British house had to say about the necessity of monetary reform. To-day, standing in the central lobby at Westminster one can look through a glass window at what was formerly the chamber of the House of Commons before the blitz. All that remains to-day are the bare walls: there is no ceiling, no roof, and no floor. While I was speaking to some of the members, they remarked to me that the rebuilding of the chamber would be a simple problem; the danger was to the preservation of the House of Commons itself, in view of the threat of totalitarianism which is being exerted and felt everywhere in the world.

The Minister of Finance in his speech the other day referred to the treasury branches in Alberta and used them as an example of the cost of banking, comparing them unfavourably with the chartered banks. I received this evening a statement on this question from the premier of Alberta which I should like to put on *Hansard*. It is as follows:

The Minister of Finance is reported in the press to have held up the treasury branches of Alberta in his defence in parliament of the present banking and financial system. He quoted the cost of operating the treasury branches specifically to prove that the banks do not make excessive profits for their shareholders.

In quoting the Alberta treasury branches in support of his argument, Mr. Ilsley omitted to mention some important points relevant to the matter. These are:

(a) The Alberta treasury branches are limited in their operations to lending only a portion of their deposits; whereas the chartered banks create the money or credit they lend. This means that the treasury branches cannot increase the volume of money or credit in existence. It means also that whereas the banks obtain revenue from practically the entire amount of their deposit liabilities—which are merely the result of the loans they make or their purchases of securities with the money they create—the treasury branches derive revenue from only the proportion of the deposits which they lend.

(b) The so-called "loss" of the Alberta treasury branches represents the cost of these services to the people of Alberta after the individuals using them have each contributed a fair payment for the services they receive. For the balance of the cost borne out of public revenue taxpayers not using the treasury branches are receiving more efficient service at reduced charges from the banks than they were getting before these institutions had to meet the competition of the treasury branches.

(c) Normally a bank, with all the advantages it enjoys, would expect a branch to operate at a loss for a period of seven or eight years. The Alberta treasury branches have been in operation for less than six years, and the entire province-wide network of branches and agencies had to be built up from scratch. Despite this fact the treasury branch services are already nearing the point where their earnings at reduced rates to the public will cover the entire cost of their administration and maintenance.

However, the real issue is not whether the banks make excessive profits for their shareholders or not. Mr. Ilsley knows perfectly well that the threefold issue on which Social Crediters have taken a stand for more than the past ten years in Canada is:

First, the sovereign power to control monetary policy and through this all economic activity, which is exercised by the private banking corporations through their power to issue and withdraw money, in the form of financial credit, in a manner which places the nation in perpetual pawn to them and their satellite financial institutions. This is a sovereign power which, in a democracy, should be under the effective control of the people themselves through parliament.

Second, the operation by the banks of a financial system which is inherently defective in that it results in a chronic insufficiency of purchasing power in the hands of the consuming public, with consequent trade stagnation, economic insecurity, mass unemployment, social unrest and international friction, leading to recurring wars and revolutions.

Third, the degradation, on the one hand, of democratic governments in having to go cap in hand and place the nation in perpetual pawn to the private financial corporations in order to finance public services; and on the other hand, of the constitutionally sovereign people in having to submit to the dictates of a minority group under a system of wage slavery which forces them, under the threat of destitution, to accept the standards of living and working conditions imposed upon them.

These are the features which stamp our present financial system, of which Mr. Ilsley appears to be such a staunch champion, as vicious, undemocratic, and a menace to the future of our nation. Moreover, Mr. Ilsley's assertion that the government now exercises effective control over monetary policy, when the private banking institutions have the power to issue some ninety per cent of the nation's money as they please, is so ludicrous that he cannot expect anybody to treat it seriously.

The Minister of Finance cannot side-step these issues either by putting up straw men for the purpose of knocking them down, or by any questionable argument such as he advances when he attempts to show that if the Bank of Canada created the money for financing government expenditure, it would impoverish the banks by leaving them without any revenue with which to pay interest on their deposit liabilities. He argued further that it was much fairer to the banks for the government to borrow from them and tax the people to pay the interest.

The following simple action by parliament would soon reveal whether the banks are in danger of being impoverished. The banks should be required to surrender all hidden reserves as at December 31 last to the federal government. This would constitute no hardship as these represent acquisitions over and above the profits both distributed to shareholders and placed to their disclosed reserve funds. These hidden reserves should then be monetized by the Bank of Canada and the proceeds used to

provide for our returned men after hostilities cease, in recognition of their services to the nation.

It will be useless for Mr. Ilsley to plead that the amount would be negligible. Let us have a full and proper investigation which will reveal the true facts. I predict that the result would stagger the nation.

I might say with regard to these treasury branches, in the small town in which I live in Alberta we have no bank, and before the establishment of one of these treasury branches it was necessary to travel ten miles in one direction, or fourteen miles in the other to do any kind of banking business. I am not blaming the banks. I suppose the place is not important enough. But luckily for the people, the Alberta government established a branch of the treasury, and it now does the greater part if not all of the banking business for the whole community and is a great convenience and a great service.

Our opponents in the province, some of the press, are very fond of comparing the chartered banks with the treasury branches. They make the comparison in this way. They say that the chartered banks are able to make profits so that the services cost the people of Alberta nothing. They not only provide a service but make a profit at the same time and so they even confer a profit upon the people of Alberta, whereas the treasury branches have to be charged up to revenue. They do not even appear to know that the profits of the chartered banks must come out of the people. I feel safe in stating that the relative cost of the treasury branches of the people of Alberta is less than the cost of the chartered banks.

May I make one remark on an aspect of social credit which may not have been much in evidence since the war started, and that is the social credit dividend. Time was when the proposal to pay a dividend of $25, as we put it rather crudely, $25 a month, was ridiculed. But will any member of this house estimate the dividend that we are paying at the present time to the enemy? I cannot carry the figures in my head, but the Canadian people are paying to the enemy a dividend of well over fifty per cent of the total national production of the country, and we ask nothing in exchange. More than that, in spite of the fact that the cream of the nation is either in uniform or in munitions factories, so that the production of the country is carried on by the very young and the very old, the standard of living in Canada to-day is higher than it was before the war. I put it to any hon. member that had we paid a dividend to ourselves instead of maintaining so many millions destitute, the state of prosperity in Canada to-day would have been even better. I will go so far as to say that had any civilized country instituted social credit, such would have been the resulting prosperity and happiness in every country that the war would never have taken place.

The minister objected to the amendment, which is under discussion and which I have not mentioned, as being a key to the total socialization of production. I am quite willing to agree with the minister on that point, but I would ask him a pertinent question, if he is listening. It is this. How comes it that all his financial experts, or nearly all of them, are the products of a socialist training college, the London School of Economics? That school was founded by Fabian socialists. It exists to-day only for the purpose of training the bureaucracy of the future world socialist state. How is it that the experts of the Department of Finance not only in this country but in every dominion of the British empire, and in some countries outside the empire, including the United States, are all men trained in a socialist college founded by Fabian socialists and endowed by funds of international German financiers? That is a fact which I shall be interested to hear the minister explain when he next speaks on the bill.

Let me quote a statement of Major Douglas which he made quite a few years ago. It appears in his book "Warning Democracy":

> In my opinion there is no fundamental difference between "rationalization" as sponsored by Lord Melchett and Sir Herbert Samuel and nationalization as sponsored by the socialist party. I believe that the propaganda in regard to them comes from the same source. They are both of them policies for reducing the individual to an impotent unit in an overwhelmingly powerful mechanism.

I say that that influence comes, and has come for years, from the London School of Economics. I can name offhand a number of the economists, the financiers, who at the present time are shaping the financial policy of this country. There is Doctor James, the chairman of the committee on post-war reconstruction. He is a product of the London School of Economics of which the communist, Laski, is one of the shining lights. He is professor of political history at the present time. Another is Doctor Marsh; another is Mr. Sandwell, whom I hear mentioned as next chairman of the Canadian Broadcasting Corporation. Another one is a gentleman named Rasminsky. He is a product of the London School of Economics. All of them are internationalists; all of them are in effect, international socialists. The purpose of the London School of Economics has been to send out to the universities of the British empire a stream of socialists professors, and gold-plated economists. I am not going to

speak about that matter to-day, but when we come to discuss the scheme of international stabilization of currency I shall deal with the subject of the gold standard and with the ownership of the gold at the present time.

The hon. member for Laval-Two Mountains (Mr. Lacombe) made a brief speech yesterday, very much to the point, and I should like to congratulate him upon it. He asked, where is our gold? On the very last day of the session last year I asked who owned the gold of the United States. I shall not go into that now, but I shall certainly do so at a future date. Where is all this gold? Who owns it? Nobody knows. Holding the views which I have expressed, may I repeat that we Social Crediters are anti-centralization and anti-supreme state. While I have every sympathy with our hon. friends to our immediate right, the C.C.F., and I am willing to believe that they are inspired by the highest motives, yet holding the views which I do, the result of a long and deep study of this subject, I cannot honestly vote for their amendment.

Mr. CLARENCE GILLIS (Cape Breton South): I should like to facilitate the passage of the bill to enable the minister to get it to the banking and commerce committee, but there are a few remarks that I feel I must make. Like many others who have preceded me I do not pose as an authority on banking and currency. As I see the matter now, after this long debate—and I have learned something from listening to it—the question before the house is whether the membership thereof is prepared to accept the bill and the construction placed on it by the Minister of Finance (Mr. Ilsley); or whether they are prepared to take one step to amend it as proposed by the Social Credit party. However, that has been disposed of as the house voted against it.

The matter that is immediately before the house is the amendment to the main motion, which was proposed by the Cooperative Commonwealth Federation party. Many opinions have been expressed. As one member of this group, who has spent the last twenty years in Canada struggling to get along, I am personally of the opinion that the banking system of this country requires revision. I shall not go into the mechanics of it because I believe the hon. member for Rosetown-Biggar (Mr. Coldwell) did a first-class job on that in a general way. He made the main criticism of the minister's arguments, followed by the hon. member for Weyburn (Mr. Douglas). I think they made the position of this group crystal clear with regard to the proposal now before the house.

The thing that I am concerned about—and I think the thing that most members are overlooking—is the fact that once this bill goes to the banking and commerce committee —and the principle of the bill is accepted when it gets second reading—there is no doubt about what will happen to it in that committee. Most of us are overlooking the fact that this is the only time for the next ten years that the members of this house will have an opportunity to amend the Bank Act. In listening to most of the discussion, particularly from this side of the house, one would be led to believe that this is something that can be done every afternoon when the house meets. I am concerned with not only the mechanics of banking, the purpose it serves and all those angles of the question, but with those who are employed by the banks. I think they have a definite place in the picture in so far as the members of this house are concerned. I do not suppose that there is a class of workers in the Dominion of Canada who have the same disabilities as the employees of the banks. For example, the statistical branch of the Department of Labour has absolutely no statistics on the wages, incomes and so forth of the employees of the banks. Second, while the great majority of the other workers of this country have machinery and the privilege of organizing themselves and bargaining through government machinery to increase their standard of living, those rights are denied the employees of the banking institutions. As administered to-day, in my opinion it is anything but a democratic institution.

Most of the members of the house will recall that in 1941, two years after the outbreak of war, there was difficulty with the Banque Canadienne Nationale set up in Quebec. The employees of that bank were forced to strike; and when employees of the chartered banks are forced to take that action there is something radically wrong with the institution that is supposed to give them the means of livelihood. About the only statistics one can get on the set-up with respect to their conditions are some which were compiled by the employees themselves, through the medium of a union formed at that time. For the information of hon. members I should like to place some of this on the record, because I suggest that we should be thinking in terms of bank employees when we are talking about amending the Bank Act.

What I am about to read is set out in a little pamphlet prepared by their union representatives at that time. This is to be found at page 3, in connection with wages:

> They made a survey of the actual salaries, position and years of experience of employees in the majority of the Banque Candienne Nationale's sixty-five branches in Montreal. For the year 1941, two years after the war began, two years in which the cost of living index had

risen 14·6 per cent, they found that junior clerks and stenographers were starting in the Banque Canadienne Nationale at the munificent sum of $8 a week.

Remember, this is 1941.

Tellers handling thousands, often hundreds of thousands of cash daily earned a weekly wage of $17.50 per week. After an average of nine years' service assistant accountants, averaging thirteen years' service received $22 a week.

Some in another group received $26.

Some stenographers with fifteen years' service received only $700 a year. An accountant of twenty years' experience earned $25 a week.

Those are the wage rates in a section of the bank set up in the province of Quebec, concerning which I have been able to get statistics.

In his speech the minister criticized severely the C.C.F. for suggesting that there should be some measure of government control over institutions of that kind. I suggest to him that this is an angle of the problem which should be given consideration. If we guarantee certain profits to the chartered banks; if we are going to set up an industrial development bank; if we are going to guarantee profits, then I say there should be an examination of the standard of living provided to the employees of these banking institutions. There is a good deal of information in this little pamphlet, and it certainly does not show a very nice record, nor does it reflect much credit on the organization to which it applies, so far as its relationship with its employees is concerned.

I shall not discuss the matter further. I have made this short quotation simply because I think it will be the duty of the committee on banking and commerce, when considering a revision of the Bank Act, also to consider some regulations which would extend the principle of democracy to employees of the banking institutions, to the degree enjoyed by other sections of labour in Canada.

The hon. member for York-Sunbury (Mr. Hanson) expressed the fear that the steps now being taken by the minister would eventually add up to the corporate state. I also have that fear. I have said time and again that the state supreme was not my idea of a solution of the problems of the people of Canada. Unless the people themselves are fully utilized and work into the whole fabric of the country, there is a danger that we may be marching in the wrong direction. When we are dealing with the banking institutions of Canada we are dealing with the whole economic set-up. As was pointed out this afternoon by the hon. member for Mackenzie (Mr. Nicholson), in view of the interlocking directorates which exist to-day in banks and in industry, the banks are really driven by those who control industry. The set-up behind the scenes, including war-time boards, are largely staffed by the same people who occupy positions on the directorates in both industry and the banking institutions. In my opinion we have just about arrived at the corporate state.

I am afraid that when we place complete control in the hands of one group, and that group represents financial capital, we are heading for the very situation against which our boys overseas are fighting. There is only one way to off-set that situation, only one way to balance it. There is only one way to obtain democracy, namely, by giving the different sections of the population equal representation on the controls.

In his speech the minister deprecated the fact that more regional controls were not developed in connection with the banking set-up. I believe he is correct in that regard. If we are to have a democratic society, then in my view every section must have the same representation and the same say in the machinery which is directing the economic forces of the country. Otherwise we shall have a straight financial approach to everything and, by virtue of the power exercised by these groups, we shall have direction from the top and eventual dictatorship. Certainly it leads in that direction; there is no doubt in my mind about that.

Anyone to-day who fears the development of the corporate state in Canada should examine very carefully the machinery which is now developed under the pressure of war. Under that pressure there can be no doubt that it has been overlooked. The minister and others have tried to make a case for the banks by saying that it was easy to get money in the twenties and the thirties. Well, I know that is not true. In the section of the country in which I lived it was just impossible to get money in those years. By and large the workers in Canada were not working sufficient time to have credit from the chartered banks. As the minister well knows, we attempted to solve that problem among ourselves. In the thirties we developed a system to take care of our own community needs. We had to do that. Our action took the form of local credit unions. And in the small loan field to-day I believe that the average fisherman, farmer or industrial worker in that province is taking care of his own credit needs, possibly to the extent of building a home. We were forced to take that action because the chartered banks were not in that field, and had no desire to enter it. I am reasonably sure it was pressure from that movement which forced the chartered banks

to introduce the home improvement plan. It is my view that they feared complete loss among the income groups which were beginning to form around credit union organizations.

As one who never had very much money, and never expects to have much, I can say that the chartered banks in my lifetime, in the community in which I lived, never meant a thing to the group or section of society to which I belonged, except that they did force us to take the action necessary to solve our own community credit problem, through the credit union movement.

My hon. friends to my left, the Labour-Progressive party, rather surprised me last evening when they rose in their places and voted against the proposal of the Social Credit party to take one step forward, at least to pull the teeth of the banking institutions. The important thing about that amendment is that it was not advocating any bureaucracy set-up outside the house. Parliament was to control the credit and finances of this country. They were asking that that power be taken back by the federal government, that the House of Commons be made supreme in this field, that the elected representatives of the people be the ones to determine the credit needs of the country and to issue currency. My hon. friends to my left were not prepared to take that step and they endeavoured to salve their consciences for the position they have taken. They rose in their places and made an attack on the C.C.F. party and on the Social Credit party.

I speak from memory, but, as I remember, the hon. member for Cartier (Mr. Rose) made the statement that no sensible person in the labour movement of Canada would take the position at this time of wanting to socialize the banks. I want to tell him that there are 14,000 organized miners in Nova Scotia who have taken that stand officially, and some of them are fairly sensible. There are some 9,000 steel workers in that province who have also taken that stand. There are some 22,000 organized trade unionists in Ontario who have officially taken that stand. These people have taken this stand through their local units; it was not fastened on them from the top. They discussed it; they examined it and they understood the step they were taking. In addition, the Canadian Congress of Labour at its last convention in Montreal, a convention headed by people who sit on government war boards, advised their constituent locals to take that step. They were people with long experience in the labour movement of this country.

Our hon. friends base their case on the necessity for jobs for returned soldiers in the aftermath of the war. If we are to have employment in the aftermath of the war, control and responsibility on the part of the elected representatives in this house constitute one prerequisite to having those jobs available. I should like to make one remark which the hon. member for Regina City (Mr. McNiven) may not like. I want to show how this will work out when we come to think in terms of employment in the aftermath of the war. The Premier of Saskatchewan made a presentation to the reconstruction committee on behalf of his government. It was a good presentation; it was a realistic presentation. He pointed out that some 70,000 people from his province were in the armed services. A survey had been made of all possible employment conditions in the aftermath of the war, and it was found that with present employment conditions there would be some 30,000 for whom employment would not be available.

Mr. McNIVEN: Excluding the farms.

Mr. GILLIS: Just a minute. He brought in a long programme of public works and stated that if those public works were made available possibly that situation would be cured. But the point was that the public works programme as presented by his government, and by each of the provincial governments, was contingent upon the federal government making available the necessary finances. If the chartered banks have control in the field of finance and credit; if they serve the purpose the minister says they serve or thinks they serve, why should the provincial governments not go to the banking institutions and present their public works programmes for the aftermath of the war and arrange for the financing of those programmes in order to guarantee employment?

The banks of this country are not prepared to take any risks to establish new industry or to carry on necessary public works in order to provide employment. If the federal government is to have the responsibility for the development of industrial enterprises and the carrying on of public works programmes in order to create employment, there is no reason why the control of currency and credit should not be taken back under the thumbs of the House of Commons and the people of Canada benefit by the initiative and ingenuity of their elected representatives through the proper development of this country in the future. Apparently the banking system is not prepared to do anything.

I think every member of that committee was interested in trying to arrive at the premise upon which my hon. friend of the L.P. party built his case last night when he salved his conscience by voting for the banking institutions of this dominion by giving

them control for another ten years. I think I have given proof positive that if jobs are to be provided in the future for our returning service personnel and those who will be let out from war industry, this is where control in this field must be if we are to develop Canada in the future. I cannot see how the people who allowed us to wallow in the depression of the ten years prior to this war are to solve our problem in the future. Now is the time to examine this question because, as I said when I started, we shall not have another chance for another ten years.

I cannot understand our two hon. friends to my left. I have had a considerable association with that kind of people in the past and I have been listening to them for twenty-five years. They have so many lines it is pretty hard to know where to draw the line. I should like to draw to the attention of the house some of the arguments advanced this afternoon by the hon. member for North Battleford (Mrs. Nielsen) with respect to the establishment of socialism. I have in my hand the election manifesto which that party issued in 1940, and I should like to read a brief paragraph on page three, because it relates specifically to the remarks of the hon. member this afternoon. They pose here as social reformers, but this is what they had to say in their election manifesto in 1940:

> Again, as in 1914-18, the leaders of the "reform" parliamentary parties have deserted the people and joined the imperialist war camp, lining up with the monopolists, bankers, militarists and war profiteers. The ruling class relies upon these lackeys in the C.C.F., in the Social Credit party and in the trade union movement to help lead the masses to the slaughter under the fraudulent slogan that this is a "just war". Their role is the most despicable one.

That was the opinion in 1940; there was no possibility of reforming the system. All through that manifesto runs the statement that capitalism had decayed and was dead, without any possibility of reviving it. To-day the lady shows a great fear of socialism. The capitalist system that was dead in 1940 is now going to solve the problems of the future. One would be led to suppose that if the C.C.F. part were elected at the next federal election, then immediately everything as it exists in Ottawa now would be thrown out. The banking system would be destroyed; everything would be uprooted, and all that kind of nonsense.

I came into the C.C.F. party in 1938. I came into it after about twenty-five years of experience in the labour movement, where it was my business, because I had to earn my bread and butter, to examine carefully everything that anybody had to offer me. We examined the C.C.F. very closely before we came into it and we did not come into it as individuals. When the C.C.F. came into Nova Scotia, it had absorbed a labour party that was a going concern and it took in the entire miners' organization. Many of these bodies had had many years of experience and were composed of sensible men. We believed that the C.C.F. was and is the solution of the problems of the people of Canada. There is no doubt in my mind about that. If there is one thing that our hon. friends to the left are wrong in, and 100 per cent wrong, it is in their new adherence to the capitalist system as being able to solve the problems of the future.

Mr. BLACKMORE: To whom is my hon. friend referring?

Mr. GILLIS: I mean our L.P.P. friends. One thing I am convinced of is this. The war in Europe exemplifies the last struggle of a dying system. I am certain of that, and you will not be able to save it by any transfusions. Fundamental changes are required in this order of society in which we are now living. If we are to be realistic and have something for the boys when they return from this war, the boys who are fighting against the conditions which they left behind them here in Canada, fundamental changes are necessary. Thinking in terms of maintaining the present system as it is, with all its ramifications, can lead only in one direction; I am convinced of that. You cannot reform a rotten egg, and you cannot reform this order of society, because it is dead. I am honest about this, as I think every member of the house is. The difference between us is simply a matter of not studying the problem with the same degree of care or of having interests that do not require changes to be made in the future. Unless we are prepared to sit down and honestly discuss the whole set-up, examine its disabilities and endeavour now to correct them, then when this war is over somebody is going to correct them for us in a way that we shall not like; I am convinced of that. I cannot visualize the programme and policy that I have heard mapped out by different people in a leading position in the field of employment in Canada for the period when this war is over ending up in anything but chaos and upheaval. When provincial governments present their reconstruction programmes they are all contingent upon the money being made available. Where is the money coming from? The federal government. They all come back to that. They want the federal government to give them the money, guarantee the contracts, set them to work and let them make a profit.

Mr. TUCKER: Is there anything wrong with that?

Mr. GILLIS: Why do they not do something themselves?

Mr. TUCKER: Because the federal government has control of banking and currency and credit. That is why the provinces look for help to the federal government.

Mr. GILLIS: You have the only chance now that you will have in ten years of getting the necessary control.

As I said, they all want the federal government to provide the money. You see, the industrialists do not believe in government control. Instead of getting busy and doing something to rehabilitate this country, they come here and throw the whole load on the lap of the federal government and expect the taxpayers of Canada to guarantee them their profits. The people of this country are not going to stand for that. When you question the industrialists as to their plans in the profitable field which they dominate, they have only one, namely, that when the war is over, every crown agency must cease production and the whole field be thrown open to private enterprise. Those were the conditions in 1939. Private enterprise had the field to itself then—and there were one and a half million people on relief. What is to happen to our 800,000 service personnel when the war is over, and to the 40,000 girls who are in the service and are now experiencing a little security for the first time in their lives? What is to happen to the million and a half workers in the war industry? Ask the industrialists and they will tell you that this is not their problem, but the government's. But they want to dictate to you what the economy of this country shall be immediately upon the cessation of hostilities. That is their field, the profit field. They want you to accept their lead when the war is over and to guarantee them profits in any new projects, with the taxpayers paying the bills. I would be a private enterprise myself on that basis.

Take the case of the premier of Saskatchewan. I am not blaming him individually because he is caught in a trap. The only thing I would blame him for is that he has not the courage to fight it out. He claims to have sent out over 2,000 questionnaires to private industrial firms in Saskatchewan asking what they could do in the field of employment when the war was over. Fifty per cent replied to the questionnaire and the other fifty per cent did not acknowledge it at all.

Mr. McNIVEN: Give the complete explanation if you are going to mention it at all.

Mr. GILLIS: I did.

Mr. McNIVEN: Not by any means.

Mr. GILLIS: That was in his brief.

Mr. McNIVEN: Not by any means.

Mr. GILLIS: I will tell it over again. The premier of Saskatchewan sent out a questionnaire to over 2,000 private enterprise firms in that province. From fifty per cent of these firms he received a reply to the questionnaire, and from fifty per cent of them he did not receive a reply. That is what he said when he presented his brief here about a month ago.

Mr. McNIVEN: Mr. Speaker—

Mr. GILLIS: You can make your speech after I am through.

Mr. McNIVEN: If the hon. member is going to give an explanation of what occurred in the reconstruction committee, let him give the whole of that explanation.

Mr. GILLIS: If the hon. member had waited a moment he probably would have got it. But he has heard it already. He knows the statement which the premier of Saskatchewan made in the reconstruction committee, but if he wants me to take up the time of the house I will read it to him. I do not want to occupy the time of the house in reading that into the record. The premier of Saskatchewan received a reply from fifty per cent, and from fifty per cent he received no reply. The point I want to make is this, as it was made in the brief by himself—

Mr. TUCKER: Will the hon. member explain why the premier of Saskatchewan said that he had to have assistance from the federal government to carry out his plans?

An hon. MEMBER: Order. Make your own speech.

Mr. TUCKER: I submit that the hon. member is out of order in repeating what was said in the reconstruction committee, but since this matter has been brought up we have the right to explain why the premier of Saskatchewan took that view. He took the view that the recommendation of the Sirois commission should be carried out, namely, that the provinces should receive the financial help necessary to discharge their constitutional obligations to their people.

Some hon. MEMBERS: Order.

Mr. MACKENZIE (Vancouver Centre): The hon. member for Rosthern (Mr. Tucker)

is speaking on a point of order, and the point of order is that no member of the house has a right to divulge the proceedings of a committee.

Mr. SPEAKER: The hon. member for Cape Breton South (Mr. Gillis) is referring to proceedings before a committee, and that is clearly out of order.

Mr. GILLIS: Far be it from me, Mr. Speaker, to quarrel with a decision given by yourself. But this report is public. The reconstruction committee's report has been sent all over Canada.

Mr. SPEAKER: It is not a report which is before the house.

Mr. GILLIS: I realize that. At the same time it has a bearing on the question we are discussing at the present time, the control of currency and credit in this country. This is the last chance we shall get to discuss it for the next ten years, or at any rate the last chance there will be to do anything about it. It involves the possibilities of financing your reconstruction programme, which is very important to all the citizens of Canada. I merely wanted to mention an example, and I thought it was a good one, where the premier of a province—

Mr. DOUGLAS (Weyburn): It is too good for them.

Mr. MACKENZIE (Vancouver Centre): I rise to a point of order. No hon. member may discuss the proceedings of a committee until the report of the committee is before the house.

Mr. SPEAKER: I think the hon. member for Cape Breton South knows that, and I will ask him not to refer again to it.

Mr. GILLIS: Oh, yes, it has been published. I have read it myself in half a dozen newspapers.

An hon. MEMBER: That does not make it in order.

Mr. SPEAKER: Order.

Mr. GILLIS: I am through with it. I am rather sorry, however. We sit here for hours on end and we take everything that is thrown at us, but we are at least courteous enough to remain in our seats while others are speaking and to make our debate when we rise in our places.

Mr. McNIVEN: Since when?

Mr. TUCKER: And you never attack anybody else!

[Mr. Ian Mackenzie.]

Mr. GILLIS: The minister, during the course of his remarks—

Mr. SPEAKER: The hon. member's time has expired.

Mr. DOUGLAS (Weyburn): Is that your time or their time?

Mr. GILLIS: Their time.

Mr. E. E. PERLEY (Qu'Appelle): I have listened for three or four days to this debate, and the other day I listened to the minister when he read his long brief to the house. To-day I listened to speeches made from the government side by the hon. member for Vancouver-Burrard (Mr. McGeer) and the hon. member for Parry Sound (Mr. Slaght), and if anything I think one is more confused than he was right after the minister made his statement.

I have not taken up much of the time of the house this session. It seems to me that a great deal of time is wasted in debate on some of the questions which have been under review, and I intend to occupy only a few minutes in making a few observations and putting a question or two to the minister.

The purpose of this bill is, of course, to extend for another ten years the charters of the banks, and it is understandable that there should be a few amendments, because when a bill of this kind is revised only once every ten years conditions arise, especially in these changing times, which make certain amendments necessary.

I was a member of the banking and commerce committee in 1934 and I have the honour of being on that committee again this year. The bill will go in due course to that committee, and I shall say very little about it at this time, reserving to myself the right when it comes before the committee to discuss in some detail the questions it raises and the information we may get from some of the witnesses who will be called. On the previous occasion we had some splendid witnesses. The general managers of the different banks attended, as I assume they will do again, in order to explain their points of view.

As I say, when the bill goes to committee I may present a few amendments which seem to me worth while. I made an amendment or two on the last occasion and supported some amendments of other hon. members, but we could not get them adopted at that time, and I venture to say that we shall have no better success this year. The bill is the same as the measure we had in 1934. The then government was strong enough to put it through in the form they wished, and this government is strong enough to do the same. We shall

have to acquiesce and I venture to say that some of the amendments will not get very far.

The revision is more or less routine. The changes are not of much importance, and they do not go so far in certain respects as I should like.

I wish briefly to review the banking situation as it has prevailed in western Canada from 1900 to the present time. I divided it into three periods of fifteen years.

First, the period from 1900 to 1915. It is during that time that the banks opened up, one may say, in western Canada. The country was new and the banks rushed in and established themselves. Their main offices were in the bigger cities, such as Winnipeg and Regina. Considerable competition took place in opening branches in the towns and even in some of the villages, and they were really after business. While apparently there was plenty of money to lend, in many cases the interest rate was exorbitant, and beyond all reason. I might mention a little experience of my own. I got my first loan from the bank in 1900, when I had taken up a homestead and preemption, and, wanting some money to buy horses in the spring of the year, I went to the bank and got my loan on a basis of ten per cent, discounted. Before I got through paying that loan, renewing it every three months, I had paid between twelve and thirteen per cent.

We then come to the period from 1915 to 1930. At the close of the last war there was a depression with respect to prices and serious conditions prevailed in western Canada. The banks were in some difficulty; they were not free to lend money, and that part of their business was taken over by the loan companies. It was later in that period, in 1927, that we had the farm loan board established, which has been referred to in this debate. It was established because the government found it necessary to come to the rescue of some of the loan companies and provide a certain class of loans which neither the loan companies nor the banks would touch.

Then we had the period from 1930 up to the present time. We have a situation to which it is hardly necessary to refer. In recent years land values have declined. The loan companies will not make loans to the same extent that they did formerly; the banks have tightened up, and now the minister is proposing amendments to the act to meet the conditions that have been referred to in this discussion. The minister himself admits that changes are necessary and is endeavouring to meet the changing conditions by certain amendments which he is proposing, but I do not think those amendments meet the situation.

There is certainly nothing in this measure which in any way forces the banks to do anything different from what they have done practically since their establishment in western Canada. They are still allowed to be their own judge with respect to loans, and I have no fault to find with that. I think they should have that right. But they are given greater powers than before, because they are empowered to take certain security which they have not been allowed to do up to the present time.

Under this bill ten per cent of certain loans will be guaranteed under certain conditions and the interest rates are reduced by this amendment. There is a reduction from seven per cent to six per cent, and I am in accord with that. I think it should have been a little more. If you will look up the records for 1934, when the Bank Act was before the committee, you will find that the hon. member for Moose Jaw (Mr. Ross) at that time made a motion that interest rates be lowered to six per cent. I recall that some of the members sitting in the house at that time opposed us when we tried to put that through. I supported the motion. The hon. member who moved that motion proposed that the banks should not be allowed to charge more than that, and that if they did so the borrower would not be liable for principal. I propose to move something similar in connection with this bill, but of course I cannot do so to-night, this not being the proper place.

There is nothing in the amendments proposed by the minister that further assists in the marketing of the crop. I have opposed the system with respect to interest, which reacts unfavourably on the farmer in connection with the marketing of the crops in the west. Before the wheat board came into operation and took over the whole situation so far as crops are concerned, the elevators were doing business and I was in the elevator business myself, as I have been since 1906. I know, therefore, something about this matter. I know what advances were made to the farmers. The elevator companies charged a good rate of interest. In many cases it was eight per cent and sometimes a little more, but in recent years they have been charging seven per cent. The banks financed the elevator companies. They advanced that money to them at a much lower rate than the elevator companies charged the farmers, and we had the banks guaranteeing elevator accounts. Now the wheat board is handling the matter and the government backs the board in financing the elevators.

We have, therefore, an exorbitant charge in that respect, and there is no provision in this bill to take care of the situation when the war is over and we get back to what some hope will be a normal state of affairs in connection with the marketing of crops. The Bank of Canada should finance the wheat board, and through it we should have full control of all marketing and financing and do away with the method that I have indicated.

The banks have not taken any risks. They have always been able to pay nice dividends. They have set up reserves, and we have listened this afternoon and evening to a discussion with respect to matters of that kind. I will not go into details at this late hour, but there is one point to which I should like to refer, which was mentioned by the leader of the C.C.F. party. The provincial governments in 1930 had to guarantee the accounts of the wheat pool in Saskatchewan. The hon. gentleman was right in saying that they did that. Prices had dropped considerably in 1930 and the wheat pool was in difficulties. They had made advances to farmers. The price was very good when they made the advances, but there was a severe drop and the provincial governments had to come to the assistance of the banks. The banks refused to carry that load when it got below the advances that had been made and security was not so good. True enough, as the hon. member for Rosetown-Biggar (Mr. Coldwell) said, the provincial governments guaranteed the account, but they in turn, when they were expected to come through, refused to do so and came to Ottawa to get the government here to take over that guarantee. I am going to say that if any one person is more responsible than another for the fact that the wheat pool is in business to-day and is in a good financial position—and it is to its credit that it has been taking on a considerable amount of the victory loan—that person is the Right Hon. R. B. Bennett, as he was then. He does not happen to be in this country now, but he is the one who is responsible for the fact that that concern is doing business now. The credit goes to Viscount Bennett. I can recall when they came to get the government of that day to take over the account, which the government did, some of the members opposite me, who at that time were sitting over here, opposed the move and made trouble for the Bennett government in making that guarantee. Mr. Bennett, however, did have it made, though they endeavoured in every way possible to raise every difficulty in his way. I know for a fact that the elevator companies thought matters had gone so far that the wheat pool would become insolvent and the elevators would be divided up among the other elevator companies. I was close to a number of elevator companies at that time and I knew what was going on. They practically sat down at the table to divide up the pool elevators, and it is to the credit of the government of that day that they took over the guarantee which the provincial governments could not carry through in order to keep the company in business. Prices came back, and eventually there was not a loss but a profit when the present government took over in 1935. They tried to carry on and sell the 560,000,000 bushels that had accumulated. They tried to sell at a loss. We have heard of the fire sale, and they could not sell it fast enough.

I am proud of the fact that I was one of the members from western Canada who, in the face of great difficulties, persuaded our colleagues in the east, on our side of the house, to support the Right Hon. R. B. Bennett in what he did at that time. There is nothing in this bill that will assist very much in that regard. However, as I have said, we shall have interesting witnesses before the committee.

I wish to ask the minister one or two questions. Why did he not introduce the farm improvement loan bill at the time he introduced the industrial development bank bill? In reply to the leader of the opposition (Mr. Graydon) the minister said to-day that the bill was ready to be introduced and would be introduced as soon as possible and be sent to the committee. I wish to ask the minister why he did not introduce the bill at the same time if it was ready?

Mr. ILSLEY: It was not ready then.

Mr. PERLEY: Quite a lot of time has elapsed since the industrial development bank bill was introduced. If the farm improvement loan bill is ready now, the minister certainly could have given us some indication of what the bill contained at the time he spoke of the amendments to this bill.

Mr. ILSLEY: I did.

Mr. PERLEY: The minister did not go far enough. I think we should have that measure now, and we should know what is in it in order to make a fair appraisal of the value of the amendments to the Bank Act and to make a comparison. I say that because if the other bill does not go a lot farther and do more for the western farmers than the amendments to this bill the minister will have quite a lot of trouble when the bill is brought down to get it through. I warn the minister that if the bill when it is brought down is not what we think it should be and what we hope it will be, then he is going to have a little difficulty.

There will be some criticism and possibly some amendments made by hon. members on this side of the house. I was glad to hear the minister in reply to the leader of the opposition to-day say that he was going to bring the bill down as soon as he could. I warn the minister to-night that it must be something worth while and that it must go a lot farther in the way of assistance to the farmers of western Canada than the amendments to the Bank Act that we are now considering. I agree with the statements made by some who have spoken, that the winning of the war is the all-important thing. That is the one thing we must consider now. We know the difficulties the government may have with that. We are all possessed of that idea. We all believe that the winning of the war is the main thing and we should approach all these questions from that angle. In the few remarks that I made to-night that is what I wanted to express. But I reserve the right to go a little more fully into it when this bill is before the committee. There is not time to do that now. I hope the bill to which the minister has referred will meet the requirements and conditions of the people of western Canada.

On motion of Mr. Hlynka the debate was adjourned.

At 10.58 p.m. o'clock the house adjourned until Thursday, at three o'clock p.m., pursuant to special order made Monday, February 21, 1944.

Thursday, May 11, 1944

The house met at three o'clock.

THE LATE EUGENE DUROCHER

Hon. J. L. RALSTON (Acting Prime Minister): Mr. Speaker, I regret to have to announce to hon. members the passing of one of our members since the house adjourned on Tuesday last. Mr. Eugene Durocher, the member for St. James, died on Wednesday, May 10, after an illness lasting two weeks. Had he lived, Mr. Durocher would have been sixty-three years of age on August 27 next. It was such a brief time since Mr. Durocher was with us in this house, seemingly in good health, that his death comes with an unusually sudden shock to many hon. members who were unaware of his illness.

He was first elected to the House of Commons at a by-election in December, 1939. He was returned in the general elections of 1940, receiving what was I believe the largest majority won by any member of the house. Our friend brought to the House of Commons a breadth of experience gained in a successful business career, both in his profession as a chartered accountant and later in the business of insurance. He had already served his fellow citizens in the post of alderman of the city of Montreal for two years preceding his entry to the house. Earlier than that, in 1939, he served as a member of the Montreal metropolitan commission. His activities in fraternal and community and philanthropic organizations were many and helpful and as a citizen he could be depended upon to give his assistance to any activity for the betterment of conditions of the less fortunate.

Mr. Durocher was not a frequent speaker, but when he did take part in debates he was listened to with attention, and always made a genuine contribution. In private discussion he was noted for being vigorous and outspoken and, at the same time, sane and clear-headed in his presentation of his views.

Mr. Durocher was faithful in his attendance in the house, and followed the proceedings carefully and keenly. He was extremely well informed, and he served with great acceptance and benefit on the radio committee. I think I can say that no member of the house possessed greater charm, was more amiable and at the same time better informed or better able to present the point of view which he had in mind than our friend who is gone. He possessed the quality of being agreeable and, at the same time, forceful and impressive. He was a living exponent of the bonne entente, not by obtrusive declarations but in the quiet neighbourly kindness and the sincerity and friendliness of his character.

Our friend was the possessor of that estimable quality, a fine sense of humour. Perhaps one of the most distinctive traits of his character was his zest for life and his enjoyment of the simple things and the little things which make up happiness of living. His early going out is I think all the more tragic because of his satisfaction in the associations with which God had blessed him.

I should like to add this personal word. It was my good fortune to meet and talk frequently with Mr. Durocher in connection with his interests in matters affecting his constituents, and I was impressed by his personality, his tolerance and his moderation. So that I myself, while expressing the deep regret of the house at his untimely ending, can say with sincerity that I feel that in his going out I have lost a valued personal friend.

The hon. member has left to mourn him a widow, three sons and a daughter. I know personally from his own talks with me that he

took great joy in his family and he spoke of them frequently. One of his sons, Lieutenant Claude Durocher, is overseas with the Fusiliers de Mont Royale. I am sure it will be the wish of all hon. members of the house that you, Mr. Speaker, should convey to Madame Durocher and her daughter and her sons—I am sure we will join in remembering particularly the soldier son overseas—an expression of the very deep sympathy which we have for them in their great bereavement.

Mr. GORDON GRAYDON (Leader of the Opposition): Mr. Speaker, as we pause on this occasion to mourn and to pay tribute to one of our members who has gone from us, we cannot help recalling that since we have been members of this house many of our membership have passed away in the midst of their parliamentary careers. All of us will recall these sad occasions; since I first came into the house in 1936 no less than thirty-four members of the House of Commons have passed away, twelve of them since the election of 1940.

I was privileged to know Mr. Eugene Durocher from a close acquaintance with him, meeting him both in the House of Commons and outside. What the Acting Prime Minister has said is only too true. Mr. Durocher was friendly, well-disposed, and a man of good character. I always enjoyed meeting him and passing the time of day with him. I shall miss him, as will members of the house generally. He took the place of a very important man in the public life of this country who sat in the house from 1920 until he died in 1939, the late Hon. Fernand Rinfret, who I think the members would also like to recall at this time.

I want to associate myself with the words of the Acting Prime Minister, and to extend to the government our genuine sympathy in the loss of an honoured and most respected and esteemed colleague. At the same time I should like to join with the Acting Prime Minister in suggesting to you, Mr. Speaker, that a message from this house should go to the widow and family who have been bereaved. It is for this reason that I rise, to couple this party, the official opposition, with the words which have been so eloquently and so appropriately uttered by the acting leader of the government.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, we too would associate ourselves with the words of sympathy of the leader of the opposition for the members on the government side of the house, and would join with the Acting Prime Minister in his expression of sympathy for the family in their susdden bereavement. Mr. Durocher was a member of the radio committee and I knew him there perhaps better than elsewhere. He was a courteous, kindly gentleman whom we all mourn. This sad occasion once again brings home to us in this house, shall I say, the wear of public life, as evidenced in the occasions on which from time to time we have to mourn the loss of one of our members. We join, Mr. Speaker, in the expressions of sympathy that have already been uttered.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, the members of our group desire to associate themselves with the eloquent and fitting words of the Acting Prime Minister and of the leader of the opposition in their expressions of appreciation of this man who has just left our midst. We desire, sir, that you convey to the bereaved ones our sympathy in this time of trial.

Mr. FRED ROSE (Cartier): Mr. Speaker, I should like to associate myself with the words of the Acting Prime Minister in the passing of Mr. Durocher. He represented the constituency next to mine, and I found him very helpful to me coming here as a new member. A new member always appreciates a kindly word from those who have been in the house for some time. I had occasion to meet Mr. Durocher from time to time coming here on the train from Montreal, and I always found him kindly and helpful. He was a man who was able to forget the differences of party and to meet a member of another party on a friendly footing, as a human being, with kindness and consideration. I should like to add my personal word of sympathy to the bereaved widow and family.

NATIONAL HOUSING ACT

ANNOUNCEMENT OF CHANGES TO BE EFFECTED BY NEW LEGISLATION

Hon. J. L. ILSLEY (Minister of Finance): Mr. Speaker, as the house is aware, the government expects to introduce as soon as practicable a bill which will embody the government's recommendations in regard to housing legislation. This will be a comprehensive measure covering all phases of the housing problem and while, of course, it cannot be fully operative until the end of the war or at least until the period of acute material and man-power shortages has ended, nevertheless it is expected that some activity will take place under it in the immediate future. It is

obvious that, even if this bill could be introduced tomorrow, it would be several weeks before the measure would become law.

However, it has come to my attention that with the knowledge that there is in the offing housing legislation which may provide assistance for house-building on more liberal terms than are now provided for, there may be a tendency for builders and prospective home owners to defer proceeding with the construction of urgently needed new houses. It would be unfortunate if such an attitude should lead to a smaller volume of house-building at the present time than the maximum which would be possible with the supply of materials and labour available, limited as that supply is. Under the circumstances, the government has become convinced that the only way in which we can meet this problem is to announce publicly a few, at least, of the fundamental changes which will be incorporated in or result from the new legislation.

Part I of the present National Housing Act deals primarily with loans made to assist the construction of individual dwellings for prospective home owners. Certain general principles and conditions governing such loans are laid down in the act itself but the details are incorporated in our agreements with approved lending institutions. For instance, the act gives authority to the minister to approve the rate of interest to be charged to the borrower and also the period for which loans shall be made and the terms of repayment. Under that authority, it was originally provided in the agreements with the lending institutions that the rate of interest should not exceed 5 per cent and that the loans should normally run, in effect, for a term of twenty years. Actually the loans usually run in the first instance for ten years but are renewable for a second term of ten years, and the schedule of repayments provides for complete amortization of the loan over a period of twenty years. The time has now come, it is believed, for a reduction in interest rates, and we had intended that when the new legislation was passed the maximum rate to be charged to borrowers would be reduced to 4½ per cent. In view of the tendency to wait and see what provisions the new legislation will contain, the announcement is made now. Furthermore, we are immediately advising the companies that in respect of all loans under part I of the present act made after today's date, that is to say, loans for which the mortgage contracts have not yet been signed, the interest rate charged to the borrower must not exceed 4½ per cent. It should be noted that 4½ per cent is the rate to be charged to the borrower; as the dominion advances 25 per cent of the amount of the loan at its normal rate of 3 per cent, the effect is that the lending institutions receive 5 per cent on their 75 per cent share of the joint mortgage loan.

Another feature of the new legislation in which there will be some public interest is the length of the term for which a loan may be granted. It is our intention to ask for authority to make loans up to a maximum of twenty-five or thirty years, but loans will be made for so long a period only in communities where we are satisfied that the community has adopted adequate zoning ordinances and where there is an adequate community or regional plan governing the future development of the area. If, therefore, municipal authorities wish their citizens to receive the benefit of such long-term loans, they should promptly take the steps necessary to provide for adequate community planning and for zoning ordinances which will protect the owners of homes from suffering serious depreciation in property values as a result of the development of nuisances or other adverse influences which tend to create blighted areas and destroy the values of residential properties in the particular area. If the municipalities are to give this protection, provincial governments should see that there is enabling authority on the statute books, where such enabling authority does not now exist, to allow municipalities to take the necessary steps to develop and enforce strict zoning ordinances and sound community plans. Officials of the National Housing Administration will be prepared to assist municipalities in their planning to the extent of explaining to municipal officials and the general public the principles of community planning, but the provincial governments are or should be in a better position to encourage and assist their municipalities in connection with specific planning projects.

While we are hopeful that the cooperation of all governments in such a programme, with the full support of an informed public opinion, will produce very great economic and social benefits in stimulating housing construction, lowering the over-all cost of housing to the public and improving the efficiency and the amenities of urban communities, nevertheless it is obvious that it will take a good deal of time, perhaps two or three years in some cases, before effective results can be accomplished in this field. I hope that no time will be lost by our municipal authorities in getting the programme under way. Nevertheless, no one who is in urgent need of a house should wait merely in anticipation of the new legislation, as the present provisions, allowing amortization over a maximum period of

twenty years, will continue to apply in ordinary cases and at least for the duration of the war.

There is one other point which should be made in respect of loans under part I of the act. Building costs have risen since the outbreak of war and I understand that there is a demand, in certain communities at least, for houses with more bedroom accommodation than it is now possible to build under our present restricted lending limits. At present we are working under a statutory authority, in the form of an item in the supplementary estimates, which limits the maximum size of National Housing Act loans to $3,200. On houses with a lending value of not over $3,200, a 90 per cent loan may be made, but the maximum percentage of loan on houses with a lending value of over $3,200 gradually declines, on the basis of a sliding scale, until at $4,000 only a loan not exceeding 80 per cent, or $3,200, can be made. There is, however, an unused balance of approximately $380,000 in the appropriation provided originally by the National Housing Act itself. The funds so appropriated could be used to finance the construction of houses with a lending value in excess of $4,000. We are therefore proposing to utilize these funds for the making of loans on houses having a lending value of up to $5,000, with a maximum loan of 80 per cent in the case of $4,000 to $5,000 houses. As the dominion finances only 25 per cent of the amount of a loan under part I of the National Housing Act, it will be noted that the funds we have available in this appropriatoin will make possible a total amount of loans of $1,520,000—that is, four times $380,000. If this amount should prove insufficient to carry until the new housing legislation is enacted, it could be supplemented temporarily by an allotment from the War Appropriation Act. It will be noted that we do not propose to raise the legal limit for 90 per cent loans. In view of the present level of building costs, I do not think we are justified in urging people with small incomes who can only afford to put up a few hundred dollars, to invest all their savings in a 10 per cent equity in a house costing, say $4,000 or $5,000, and assume the obligations involved in a 90 per cent mortgage on such a house.

I have been speaking thus far of changes that will be made in respect of loans under part I of the Act. The new act will contain three or four other parts, dealing with such matters as rental housing, housing in rural areas, repair and modernization of urban homes, and certain other matters. It is not necessary to refer to all these parts at the present time, but I would like to state that part II of the new act will include provisions making it possible for the dominion to make 90 per cent first mortgage loans, carrying an interest rate of 3 per cent, on low rental housing projects along the lines of the large project of this type recently announced in the city of Montreal. What we wish to accomplish by this type of legislation is to encourage groups of public-spirited citizens in communities where there is an acute shortage of low-rental housing to raise at least 10 per cent of the funds required by organizing a limited dividend housing corporation, to study objectively the housing conditions of the particular community and develop suitable plans and specifications for projects designed to meet the ascertained need, to supervise the construction of the project in order to assure sound construction at the most economical cost, and to provide continuing and efficient management for the project throughout its life. I would like on this occasion to pay tribute to Mr. Spinney and his associates for the valuable public service which they have rendered in working out the Montreal project, and to express the hope that similar leadership may be found in a good many other communities.

An enterprise of this character is one primarily for public service rather than one for private profit. In the case of the Montreal project, for instance, the dividend has been limited to 3 per cent, at the express wish of the sponsors themselves—I do not think we could have objected to a 4 per cent dividend. All the shareholders can expect to receive is this reasonable but modest yield on their investment, the return of their capital over a period of years, and the satisfaction of having made an important contribution to the solution of an important economic and social problem in their own community. After the dominion's loan and the shareholders' equity capital have been retired, title to the property will vest either in the dominion, or in the municipality if the latter gives suitable assistance to make a low level of rents possible under present conditions. Since the Montreal project was announced, great interest has been expressed on the part of other communities and we hope that a number of similar projects will go forward. The dominion is ready to cooperate on a similar basis in any community where there is a real shortage of low rental housing accommodation—subject, of course, to the limited supply of building materials and of labour available for all types of housing construction at the present time.

It is hoped that these measures will promote house-building now to assist in relieving the congestion in urban centres to the maximum extent consistent with the war effort. It should be emphasized that they are in addition

to the measures already in operation or announced. Thus, the government will continue to press forward with its house conversion plan which now extends to fifteen cities and towns throughout Canada, and, as the Acting Prime Minister indicated last week, Wartime Housing Limited is initiating a programme for the building of additional houses for the relief of dependents of members of the armed forces urgently in need of housing accommodation and for whom housing accommodation is not otherwise available.

In closing, I think I should say once again that I have not attempted to describe or outline all the provisions of the housing legislation which we shall be introducing; but I feel I should make this announcement now, so that there will be no holding back by persons who fear that if they went ahead immediately their position would be prejudiced by the provisions of the housing act.

Mr. GRAYDON: In view of the need which is well exemplified by what the minister has said, will there be any change, or the need of any change, so far as priorities are concerned, in materials, or in connection with the man-power situation, which of course is one of the things which has been holding back some of the development?

Hon. C. D. HOWE (Minister of Munitions and Supply): In answer to the question of the leader of the opposition, the matter of priorities for small house building is being met in as effective a way as possible having regard to the requirements of war. There are certain higher priorities than house building, but house building is placed in a very high priority after immediate war requirements have been met. An attempt is being made to step up production of fittings such as bathtubs, furnaces, stoves and other fixtures for small houses, and we hope to keep up with building in that regard. So far we have been able to do so, and we hope that we can continue; but I cannot promise my hon. friend that priorities for small house building will be on a level with the high priorities of war production.

Mr. GRAYDON: What about the question of man-power? Has national selective service been working in cooperation with the two ministers in connection with the house building programme?

Mr. ILSLEY: I am afraid I cannot answer that question. The appropriate minister, of course, is the Minister of Labour, but I think the answer would be probably the same as that given by the Minister of Munitions and Supply with respect to materials. There is a higher priority there as well, I think.

Mr. GRAYDON: If the bottleneck is in man-power or priorities or both, then of course the solution which the minister now provides will not necessarily be a solution of the problem.

Mr. ILSLEY: We have to carry on the war.

BUSINESS OF THE HOUSE

MOTION TO FACILITATE CONSIDERATION OF BILL NO. 110—NATIONAL SELECTIVE SERVICE INSTRUCTIONS

Mr. J. S. ROY (Gaspé): Mr. Speaker, may I be permitted to move, seconded by the hon. member for Charlevoix-Saguenay (Mr. Dorion):

That private members' notices of motions be now taken up, in order that the one standing in my name for the suspension of the resolution passed by the house on February 11, giving priority to government measures, be now considered so as to facilitate the passing of Bill No. 110, "an act to amend certain instructions of the national selective service of the Department of Labour."

Mr. SPEAKER: The hon. member gave me a copy of his motion before I came into the house. I have been considering it and I find that there is established in this house a precedent which would bar the discussion or consideration of such a motion. As will be seen at page 856 of Beauchesne's Parliamentary Rules and Forms, third edition, a motion was ruled out of order because all motions referring to the business of the house should be introduced by the leader of the house. I quote:

Mr. Church, seconded by Mr. Garland (Carleton), moved: That on Friday, June 1, Bill No. 63, "An act to amend the Railway Act" (Investigation of subsidiary of telephone or telegraph companies) now under public bills and orders, be given precedence over all (a) private bills, (b) public bills and orders (1) during the hour devoted to private bills and (2) over all other business until disposed of on that evening.

Hon. Mr. Lapointe took objection to this motion on the ground that it was unfair to other measures which had precedence over this bill.

Mr. Speaker said: The motion is out of order. The other day I ruled that according to May and Bourinot any motion concerning the order of business of the house should be made by the Prime Minister or the leader of the house. . . . I have so decided and I now so rule.

The hon. member has on the order paper a motion, No. 20, succeeding nineteen others that have been on the order paper for some considerable time. In the words of the Hon. Mr. Lapointe, it is unfair that precedence should be given to this motion over others that have been on the order paper for this length of time. In view of the authorities that have been cited, and following the established practice of

this house and the decision given by Mr. Speaker Lemieux, I must rule the present motion out of order.

Mr. ROY: May I be permitted to submit to Your Honour that although this procedure is not quite in the ordinary course, but—

Some hon. MEMBERS: Order.

Mr. ROY: —there are no other means whereby private members can have their motions considered or public bills given second reading. We are all aware that the resolution which was passed on February 11 gives priority to government measures and that motions of this kind should be moved only by the leader of the house. But—

Mr. SPEAKER: I have ruled, in accordance with the practice and, as I should think, in accordance with the law of the house, that it is not competent for the hon. member to move his motion in the terms proposed.

Mr. ROY: I am sorry, Mr. Speaker, but I must appeal from your ruling.

Mr. Speaker put the question as follows:

Moved by Mr. Roy, seconded by Mr. Dorion: I move, seconded by Mr. Dorion, that private members' notices of motions be now taken up, in order that the one standing in my name for the suspension of the resolution passed by the house on February 11, giving priority to government measures, be now considered so as to facilitate the passing of Bill No. 110, "an act to amend certain instructions of the national selective service of the Department of Labour."

I have ruled the motion out of order and the hon. member has appealed from the decision.

The house divided on the question: Shall the Speaker's decision be sustained? And the decision of the Chair was sustained on the following division:

YEAS

Messrs:

Abbott
Anderson
Aylesworth
Bence
Black (Chateauguay-Huntingdon)
Black (Yukon)
Blackmore
Blair
Bonnier
Boucher
Breithaupt
Bryce
Burton
Cardiff
Cardin
Casselman (Grenville-Dundas)
Castleden
Chevrier
Church
Claxton
Cleaver
Coldwell
Corman
Coté
Crerar
Cruickshank
Denis
Diefenbaker
Dubois
Dupuis
Edwards
Emmerson
Esling
Eudes
Evans
Factor
Fair
Fauteux
Ferron
Fontaine
Fournier (Hull)
Fraser (Northumberland, Ont.)
Fraser (Peterborough West)
Fulford
Furniss
Gardiner
Gershaw
Gibson
Gillis
Gladstone
Golding
Goulet
Graham
Grant
Graydon
Green
Hansell
Hanson (Skeena)
Hatfield
Hazen
Healy
Henderson
Hill
Hlynka
Homuth
Howden
Howe
Hurtubise
Ilsley
Isnor
Jackman
Jaques
Jean
Johnston (Bow River)
Jutras
Kinley
Kirk
Knowles
LaFlèche
Lafontaine
Lalonde
Leger
Little
Lockhart
McCann
McCubbin
McCulloch
MacDiarmid
Macdonald (Brantford City)
Macdonald (Halifax)
Macdonald (Kingston City)
McDonald (Pontiac)
McGarry
McGeer
McGregor
McIlraith
McIvor
MacKenzie (Lambton-Kent)
MacKenzie (Neepawa)
MacKinnon (Edmonton West)
McLarty
MacLean (Cape Breton North-Victoria)
Macmillan
McNevin (Victoria, Ont.)
McNiven (Regina City)
MacNicol
Marier
Marshall
Matthews
Mayhew
Michaud
Mullins
Mulock
Neill
Nicholson
Nielsen, Mrs.
Nixon
Noseworthy
O'Neill
Perley
Picard
Pinard
Power
Purdy
Quelch
Ralston
Reid
Rennie
Rickard
Roebuck
Rose
Ross (Calgary East)
Ross (Hamilton East)
Ross (St. Paul's)
Ross (Souris)
Ryan
St. Laurent
Sanderson
Senn
Shaw
Sinclair
Sissons
Soper
Stirling
Stokes
Taylor
Thauvette
Tucker
Turgeon
Turner
Tustin
Veniot
Ward
Weir
White
Whitman
Winkler
Wood—158.

NAYS

Messrs:

Bourget
Choquette
Dorion
Gauthier
Lacombe
LaCroix (Quebec-Montmorency)
Lizotte
Raymond
Roy—9.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CONTRACTS TO EASTERN WOODWORKERS

Mr. BLACK (Cumberland):

1. How many contracts have been let to the Eastern Woodworkers since January 1, 1940, stating whether by public tender or private contract for, (a) wartime housing or other buildings; (b) shipbuilding, scows and barges; (c) special work or materials?

2. What is the total value of all such work and material, and what value has been completed or delivered?

3. How much money has the government advanced for plant, supplies and materials?

Mr. CHEVRIER:

1. (a) Ten contracts: 2 by tender, 8 by negotiation.

(b) Two contracts by negotiation.

(c) Fourteen contracts were allocated to Eastern Woodworkers in 1940 and 1941 at prices set by the timber controller.

2. (a) Total contract value: Wartime Housing Ltd., $2,110,032; shipbuilding, $2,791,000; lumber and millwork, $22,855.

(b) Total value of completed work: Wartime Housing Ltd., $2,098,262; shipbuilding (approx.), $1,634,000; lumber and millwork, $22,855.

3. The Department of Munitions and Supply has only one contract with Eastern Woodworkers involving capital expenditure. The amount of the commitment is $29,400 of which $8,375 had been advanced as of March 31, 1944, for plant and equipment.

SCRAP IRON—MOVEMENT FROM SASKATOON TO VANCOUVER

Mr. FAIR:

What was the cost per ton of moving scrap iron in carload lots from Saskatoon to Vancouver, (a) in 1938; (b) in 1943?

Mr. MICHAUD: The freight rates were as follows: (a) $12.50 per ton of 2,000 pounds; (b) $12.50 per ton of 2,000 pounds.

ST. ELEANORS, P.E.I., AIRPORT

Mr. HAZEN:

1. Was there an airport constructed at St. Eleanors, Prince county, P.E.I.?

2. If so, what was the cost of the original heating plant installed at the airport at St. Eleanors?

3. Did this heating plant prove satisfactory?

4. Was the said heating plant removed and a new plant installed? If so, at what cost?

5. What firm installed, (a) the first heating plant at No. 1 G.R.S., St. Eleanors, and (b) the second heating plant at St. Eleanors?

Mr. MACMILLAN:

1. Yes.

2. No heating plant as such, was provided. All buildings were individually heated, including five hangars. Total cost of heating approximately $132,000.

3. Yes.

4. No. When the school was converted from an SFTS to a GRS, additional buildings were constructed and a small central heating plant was designed and installed to accommodate these new buildings. Provision was made in the new central plant to extend the system to include some of the original independently heated buildings if and when it became desirable to do so. Seven of these buildings are now being incorporated in the central steam system.

The heating units removed from these seven buildings are being used in heating other miscellaneous buildings in eastern air command.

The cost of the heating plant for new buildings $46,000.

The cost of extending the above to include seven original buildings $18,575.

5. Independent heating of various types supplied and installed by General Steel Wares Ltd., Toronto, (Space heaters); Canadian Comstock Co. Ltd., Toronto, (Hangar heating); The Enterprise Foundry Co. Ltd., Sackville, N.B., (Warm air furnaces); Connolly and Twizell, Ltd., Montreal, (Independent steam). The central steam system, by W. E. Emerson & Sons, Ltd., Saint John, N.B. The addition to central steam system, Connolly and Twizell Ltd., Montreal.

CHARTERED BANKS—PROFITS, 1930-43

Mr. FAIR:

What is the percentage of profit of each of the ten chartered banks in Canada each year from 1930 to 1943 inclusive?

Mr. ABBOTT: In his speech on the second reading of bill No. 91, an act respecting banks and banking, the Minister of Finance gave the average annual rate of shareholders' net income to total published shareholders' equity for the banking system as a whole for the fifteen financial years 1929-43 and for the financial year 1943. Shareholders' net income was taken as the sum of dividends, net capital, including non-recurring profits, and net current earnings available for losses, less average annual net amount required for losses in 1929-43. These figures were based on confidential information obtained from the banks

by the Minister of Finance. It is not in the public interest to disclose this information for individual banks.

Based on the annual published profit and loss statements of the individual banks it is possible to calculate for every bank the percentage of published profits to published shareholders' investment or equity, namely, capital paid up, reserve fund and undivided profits. It should be pointed out that all banks have not published such statements in precisely the same form, not being required to do so by the general terms of section 53(8) of the Bank Act. Certain of the banks formerly disclosed in their published statements provision only for dominion note circulation tax and income tax (and in the case of one bank dominion note circulation tax only), but from about 1934 to 1940 all banks, with one exception, followed the practice of showing provision for both dominion and provincial taxes in annual statements to shareholders. Since 1940 provincial taxes have not been a factor because of the dominion-provincial agreement on taxation. Municipal and other taxes, however, which have always totalled a substantial amount, have never been specified in annual published statements.

In view of the foregoing and to provide more uniform information for comparative purposes net profits figures have been used after allowance for taxes in all cases and after published allocations to pension funds, bank premises depreciation and for other purposes (which likewise have not been treated in a uniform manner by all banks) as these amounts are definitely provided out of earnings and consequently decrease the amount finally available to shareholders.

The 1934 percentages in the case of several banks, namely Provincial, Commerce, Royal, Dominion and Canadienne Nationale, necessarily reflect reductions made in the published rest or reserve funds of these banks in 1933 for transfers to inner reserves, as publicly announced at that time and which came to the attention of the banking and commerce committee of the House of Commons when the Bank Act was reviewed in 1934.

The statement does not include any figures for The Weyburn Security Bank, which was purchased by Imperial Bank of Canada, effective as of May 1, 1931.

Percentages of Net Profits of Each of the Ten Chartered Banks, Expressed in Relation to Total Shareholders' Investment or Equity, for Each Fiscal Year Ended in 1930 to 1943 Inclusive

Year	Montreal	Nova Scotia	Toronto	Provinciale	Commerce	Royal	Dominion	Canadienne Nationale	Imperial	Barclays
1930....	7·04	5·38	6·00	6·43	6·51	7·38	5·98	5·27	5·93	...
1931....	5·97	5·32	5·55	6·10	5·98	5·73	5·24	5·13	5·47	...
1932....	5·47	4·98	4·69	4·24	5·42	5·23	3·74	4·96	3·73	·14
1933....	4·51	4·26	4·64	3·09	4·51	4·57	5·11	5·06	4·74	·019
1934....	4·11	4·05	4·63	4·26	4·77	5·18	5·58	5·18	4·59	·023
1935....	3·96	4·00	4·49	4·01	4·71	5·14	5·17	4·61	4·56	·015
1936....	3·93	4·17	6·58	4·08	4·84	5·48	5·32	4·60	4·57	·062
1937....	3·96	4·22	5·87	4·61	4·78	5·64	5·47	4·61	4·60	·091
1938....	3·81	4·19	5·79	4·74	4·36	5·58	4·98	4·62	4·55	·17
1939....	3·89	4·30	6·61	4·71	4·79	5·50	4·15	4·64	4·58	·064
1940....	3·85	4·01	5·96	4·59	4·73	5·00	4·88	4·59	4·54	·26
1941....	3·86	3·98	6·24	4·63	4·74	4·83	4·74	4·58	4·61	·19
1942....	3·65	3·76	5·22	4·43	4·58	4·60	4·47	4·30	4·37	·18
1943....	3·68	3·36	4·40	4·03	4·02	4·56	4·43	3·89	4·37	·23

Footnotes:

Commerce: Fiscal year-end changed from November 30 to October 31, beginning 1938. Percentage for 1938 relates to 10-month period only.

Dominion: Fiscal year-end changed from December 31 to October 31, beginning 1939. Percentage for 1939 relates to 10-month period only.

Canadienne Nationale: Calculations based on net profits figures before provision for annual statutory payment of $125,000 to the Province of Quebec—provincial statute, 14 Geo. V, chapter 3.

Barclays: Commenced operations September, 1929. No profits reported until 1932 and no annual profit and loss statements published, although one is sent to the minister under section 53 (9) of the Bank Act.

WARTIME PRICES AND TRADE BOARD—PERMITS FOR PURCHASE OF TRUCKS

Mr. DORION:

Since the 1st of January, 1942, how many permits, in each province, have been issued each month by the wartime prices and trade board for the purchase of new trucks?

Mr. CHEVRIER:

Permits issued for the release of trucks are not recorded by provinces, by months, but are classified in essentiality groups. The production of trucks for civilian purposes was discontinued in March, 1942. At that time there were a number of trucks in dealers' inventories in various parts of Canada which were released without permit, and these new units, together with used trucks diverted from non-essential to essential usages, fairly well met the requirements for 1942.

Following is a record of permits issued for the periods January 1, 1943, to December 31, 1943, and January 1, 1944, to March 31, 1944, divided into the various essential categories.

Trucks Released by Motor Vehicle Control
Department of Munitions and Supply

	Jan. 1 to Dec. 31, 1943		Jan. 1 to Mar. 31, 1944	
War Work				
Independent companies on defence work	282		28	
Government companies on defence work	6		1	
Department of National Defence	25		4	
Royal Air Force Ferry Command	3		2	
United States projects	1		—	
Construction: Roads, Docks and Aerodromes	181		74	
Other direct war work	44		105	
Other indirect war work	86		64	
Total		628		278
Essential Services				
Medical services, A.R.P., Red Cross and Public Health	72		30	
Police	17		4	
Postal	54		22	
Public Utilities	237		52	
Communications	5		10	
Freight Transportation	358		110	
Bus Operators	1		—	
Mining, Lumbering and Oil	1,507		520	
Government Departments (other than National Defence)	121		41	
Other essential civilian services	1,280		1,155	
Newfoundland government	12		—	
Air transportation	10		25	
Total		3,674		1,969
Grand Total		4,302		2,247

WINNIPEG HYDRO-ELECTRIC—SLAVE FALLS PLANT

Mr. KNOWLES:

1. Has the city of Winnipeg hydro-electric system applied to the construction controller of the Department of Munitions and Supply for a permit to commence preliminary work on the extensions of its Slave falls plant?

2. If so, on what date or dates?

3. Has the above application been supported by communications from any other organizations? If so, from what organizations?

4. Has the application been granted? If not, is it being considered?

Mr. CHEVRIER:

1. Yes.

2. Application No. 45869 dated March 14, 1944; application No. 47115 dated April 20, 1944.

3. Yes, the Winnipeg board of trade.

4. Application No. 45869 dated March 14, 1944 was not granted. Subsequent application No. 47115 dated April 20, 1944 is still under consideration.

PREMIUMS ON HOGS

Mr. DIEFENBAKER:

1. Are packers entitled to make a discount or deduction of three dollars on the purchase or price of overweight hogs?
2. If not, when was the practice of doing so discontinued, and under what circumstances?
3. What premiums are now payable on the various grades of hogs?

Mr. GARDINER:

1. No.
2. On April 10, 1944, at which time a simplified schedule of carcass grades and payment by warrant of the new dominion quality premiums became effective.
3. The dominion government now pays a premium of $3 per head on grade A and $2 per head on grade B1 carcasses. The former packer's premium of $1 on grade A carcasses is now embodied in an increased price for both A and B1 grades.

PRODUCTION OF ALCOHOL

Mr. TUSTIN:

How much alcohol was produced in Canada in each of the months, January, February, March and April, 1944?

Mr. GIBSON: January, 1944—2,547,383·46 proof gallons; February, 1944—2,805,524·37 proof gallons; March, 1944—3,185,409·08 proof gallons.

Figures for the month of April, 1944, not yet available.

QUESTIONS PASSED AS ORDERS FOR RETURNS

WARTIME PRICES AND TRADE BOARD—GRAPEFRUIT JUICE

Mr. NICHOLSON:

1. Who is the wartime prices and trade board administrator in charge of the branch handling grapefruit juice imports?
2. What firm was he associated with before he joined the wartime prices and trade board?
3. What quantities of grapefruit juice have been imported during the past year?
4. What firms in Canada were granted permission to import grapefruit juice?
5. What were the total quantities imported by each firm?
6. What subsidy was paid?

POTATOES—PRODUCTION SUBSIDIES, ETC.

Mr. BLACK (Cumberland):

1. What sums were paid as subsidy for the production or marketing of new potatoes in the fiscal year 1943-1944 in, (a) Canada; (b) Nova Scotia; (c) New Brunswick; (d) Prince Edward Island?
2. What sums were paid in the last fiscal year by the government for freight on potatoes within or into each province?
3. What was the basis upon which payment was made of, (a) subsidies; (b) freight; (c) purchases?

[Mr. Chevrier.]

4. What quantity of potatoes was imported into Canada from the United States of America in the last fiscal year, stating what permit or authority?
5. What subsidies, freight allowances or reduction of import charges and exchange were allowed?
6. Were Canadian producers restricted in making exports to United States of America?

FARM LOAN BOARD—S. T. SHABBITS

Mr. NICHOLSON:

How much has been paid to Mr. S. T. Shabbits by the Canadian farm loan board, (a) as salary; (b) expenses, since his appointment?

Mr. ABBOTT: Return tabled.

PRODUCTION OF ALCOHOL—RAW AND SYNTHETIC RUBBER

Mr. WINKLER:

1. By years, what was the price range of raw rubber per pound in Canada since 1919 until the outbreak of the present war?
2. By years, what was the estimated cost of Buna S. (artificial rubber) in Canada since the outbreak of the present war, using as a base, (a) ethyl alcohol; (b) petroleum?
3. At the present price of raw materials, what is the estimated cost of producing ethyl alcohol from, (a) grain; (b) molasses; (c) waste sulphite liquor; (d) wood hydrolysis; (e) petroleum?
4. What is the estimated cost of producing alcohol to-day, using wheat at a price of its low for the last 25-year period as compared with producing it from molasses priced at its low for the same period?

SWITLIK CANADIAN PARACHUTES LIMITED—ROMEO VALOIS

Mr. LACOMBE:

1. Has Switlik Canadian Parachutes Limited, 3575 St. Lawrence street, Montreal, obtained any contracts from the dominion government, testing silk for the manufacture of parachutes?
2. If so, for what amount, in what year, and at what date?
3. Is one Roméo Valois a director of Switlik Canadian Parachutes Limited, or interested therein?
4. Have sub-contracts been granted by Switlik Canadian Parachutes Limited to any individuals or companies?
5. If so, to what individuals or companies, and for what amounts in 1939, 1940, 1941, 1942, 1943 and 1944?

CONTRACTS TO J. A. A. LECLAIR AND DUPUIS LIMITED, MONTREAL

Mr. LACOMBE:

1. Have J. A. A. Leclair and Dupuis Limited, of Montreal, obtained contracts from the dominion government, either from the Department of Munitions and Supply or any other department?
2. If so, for what amounts during 1939, 1940, 1941, 1942, 1943 and 1944?
3. What kind of work have they performed for the government?
4. What is the total amount of payments made to them up to the present in connection with said contracts for each of the years abovementioned?

FARM CREDIT

LIMITED GUARANTEE OF BANK LOANS FOR IMPROVEMENT AND DEVELOPMENT OF FARMS

Hon. J. L. ILSLEY (Minister of Finance) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a bill to encourage the provision of intermediate term and short term credit to farmers for the improvement and development of farms through bank loans, guaranteed with limitations, by the crown; moneys payable under the act including expenses of administration to be paid out of the consolidated revenue fund.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

POST-WAR CIVIL AVIATION

REFERENCE TO STATEMENT BY LORD BEAVERBROOK IN RESPECT TO CANADIAN DRAFT CONVENTION

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): I should like to direct certain questions to the Minister of Munitions and Supply in connection with a Canadian Press dispatch of to-day's date in reference to a statement made by Lord Beaverbrook in the House of Lords yesterday with respect to post-war aviation. Lord Beaverbrook stated that the united nations would hold a conference, possibly this year, to decide on the post-war international regulation of civil aviation, and also that Great Britain had rejected or abandoned the Canadian-sponsored plan covering this field. The questions I should like to ask the minister are these. Will he inform the house as to whether or not Canada will be represented at a united nations conference, as mentioned by Lord Beaverbrook; also whether he had any knowledge that the draft Canadian convention that was submitted to this parliament was unacceptable to both Great Britain and the United States, and whether the Canadian government intends to submit any convention or plan on civil aviation alternative to the convention already submitted to this parliament.

Hon. C. D. HOWE (Minister of Munitions and Supply): Since the statement of Lord Beaverbrook in the House of Lords has been referred to it may be well to place the exact statement on *Hansard*. I happen to have it here in a letter from His Lordship dated April 26, 1944, as follows:

The United States delegation proposed that we should go forward to an international conference on the following lines. That there should be an international authority to lay down standards for technical requirements and for rates of air carriage and to interchange information. The proposed authority would start on a non-executive basis with no power or means of enforcement of its regulations—at least, during an interim period.

The United Kingdom delegation presented for consideration the Canadian draft convention which has been laid on the table in the Canadian parliament. This draft convention lays down a detailed plan for an international regulatory authority with powers of enforcement. Its provisions include the allocation of frequencies of air services and national quotas for international air traffic.

This Canadian proposal was considered by the Americans to be too rigid as a basis for talks at the proposed international conference. After discussion it was agreed, therefore, that we should go forward to the conference on the basis of proposals for international handling of civil aviation evolved at the commonwealth conversations. These proposals are in some respects open to varying interpretations and were considered by the Americans to be flexible enough to provide a more satisfactory basis for an international conference. The broad purpose would be to draw up an international convention on air navigation to be implemented by an international transport organization which would evolve standards, seek to eliminate uneconomic competition, work out for each nation an equitable participation in world air transport and maintain broad equilibrium between air transport capacity and traffic offering. On these general principles the United States and Great Britain are in agreement. The powers of enforcement of the provisions would be open to further discussion.

In his preamble my hon. friend referred to the Canadian proposals, as laid on the table of this house, as being rejected. May I point out that the Canadian proposals were not presented to the United Kingdom-American conference for acceptance or rejection. They were prepared in Canada as a basis for the discussion of international problems. It is rather interesting to note from the statement I have just read that the draft convention as tabled here was presented to the bilateral meeting in London as the view of the United Kingdom government. It then would appear that the United States took the view that its provisions were too rigid, and for that reason another draft upon which the Canadian convention was founded is to be put forward for discussion when the international conference is held.

The first question was whether Canada would be represented at a united nations conference. Canada certainly will be present. I was then asked if I had any knowledge that the Canadian convention submitted to this parliament was unacceptable, both to Great Britain and to the United States. Lord Beaverbrook's statement makes it perfectly clear that the United Kingdom were quite prepared to accept the basis proposed by Canada. The United States simply stated

that in many particulars the convention was too rigid. I think I may say that the position of the United States was known when the statement was laid on the table. It was simply tabled here as Canada's proposed basis for a discussion of an international agreement.

The third question was whether Canada intended to submit an alternative convention or plan. May I say that the Canadian convention is the first attempt by any nation to put forward a detailed plan for the regulation of post-war civil aviation. The amazing thing to me is that the Canadian proposal has received such widespread study. It has been the subject of comment in aviation circles in a good many countries. In my opinion it served a most useful purpose and has become the focal point in the discussion of civil aviation problems. I stated in the house during the course of the debate that no one would be more surprised than I if the convention should be accepted without many changes as a basis for international agreement. It has proved a most useful basis for discussions of post-war civil aviation, and for that reason I think it is a useful document. Canada will not at this time attempt to prepare another document.

Mr. COLDWELL: Since this convention has not been approved by two of the major powers, will Canada continue to place such a convention before the international conference, at which many other nations will be represented? In other words, will Canada continue to press for a solution of the problem along the lines suggested?

Mr. HOWE: The views tabled in this parliament are the views of Canada for a solution of the civil aviation problem. Our views may be modified as a result of discussion, but we will continue to press them in any conference to which we are invited. I believe it is proposed that a number of bilateral conferences will be held before the general conference, and at those discussions Canada will present the document tabled here as the views of Canada.

Mr. GRAYDON: Will the minister, following the usual procedure in a matter of this kind, table the letter from Lord Beaverbrook to himself from which he has quoted?

Mr. HOWE: It is not a secret letter, but it is a personal letter. That letter contains the agreed statement that Lord Beaverbrook said was to be made after the discussions in London. I am not going to table this letter; it is personal.

[Mr. Howe.]

Mr. HANSON (York-Sunbury): Then you should not have read it.

Mr. HOWE: I did not read the letter.

Mr. HANSON (York-Sunbury): You read part of it.

Mr. HOWE: I read the official statement given in the House of Lords which happened to be conveyed with the personal letter from Lord Beaverbrook to myself. I read the official message, and I am not going to table a private letter.

Mr. GRAYDON: I rise to a point of order. I think the rules of this house provide very clearly, and it has been many times decided, that when a minister of the crown reads a part of a letter or the whole letter—

An hon. MEMBER: He did not.

Mr. GRAYDON: —or an official document, he must table that letter or document. That is not only the custom and the practice; it is in accordance with the rules of this house. If the minister had said that he was reading only the document that was produced to the House of Lords, it would be an entirely different matter. I listened carefully to what the minister said. As I understood him, he said that he had either received the letter on or the date of the letter was April 26, and he then attempted to quote from the letter. There was nothing in what he said to indicate that he was quoting only part. From where I sit I could see that all the letter was not being quoted by the minister. I rise now to indicate that the rules of the house, which I think must be clear enough, provide for the tabling of the letter itself.

Mr. HOWE: I am going to surprise my hon. friend. I will read this personal letter in full.

Mr. GRAYDON: Table it.

Mr. HOWE: It is dated Gwydyr House, Whitehall, S.W.1, April 26, 1944, and reads:

My dear Clarence,

Many thanks for your cable of 10th April and your letter of 11th April. By this time you will have had the detailed summary of our discussions with Berle which was sent by cable.

So far the Russians do not seem to have arrived in Washington. I shall look forward to an account of your meeting with them. Three points emerge from our discussions with the Americans:

(i) The Americans have accepted, as a basis for negotiation, the subcommittee report on international control, which resulted from our commonwealth conversations.

(ii) The subject of air bases and their post-war use has yet to be discussed.

(iii) We are agreed on the principle of colonial cabotage. That is, a nation has rights of cabotage on all airlines to and within its colonies and dependencies.

We had hoped to carry the Americans with us on the structure of your draft convention. We went through it with them line by line, but they felt that they had so many reservations to make that it could not be taken as a basis. Instead we adopted the commonwealth report which, as you know, contains the same general provisions in a flexible form.

Berle has agreed with me a more detailed statement which I will give in the House of Lords in answer to a question on the conference. The agreed statement runs as follows:

You will not ask me to re-read the quotation which was the official statement?

Mr. GRAYDON: All I asked the minister to do was to table the letter.

Mr. HOWE: I had better read it now.

Mr. GRAYDON: All right.

Mr. HANSON (York-Sunbury): It can go on the record and you can table it.

Mr. HOWE: The letter continues:

Your version of the Douglas DC-4 with Merlin engines should make a fine transport. I imagine it will show its heels to its American-built cousins across the border. A Canadian-built product of this sort should create an excellent impression. Adequate numbers of commercial aircraft will be the crux of the immediate post-war period in civil aviation.

I am delighted to see that you are going ahead with plans for construction. I hope that we shall be able to make further progress with building civil aircraft here before long.

I look forward to seeing the Prime Minister in London shortly, although I do not know to what extent civil aviation will be discussed at the prime ministers' conference. I will not raise it.

Yours ever,

Max.

Mr. GRAYDON: Mr. Speaker, may we now get down to earth and have the document tabled, as it should have been at the very beginning? I have no objection to the minister's reading the letter. In fact, I welcome it, because it contains information that is very valuable to the house and the country. I am surprised at the minister refusing to follow the ordinary rules of the house and not tabling it in the first instance.

Mr. ILSLEY: Mr. Speaker, may I speak on a point of order? I am no expert on the rules, but it seems to me that this would be stretching the rules beyond all reason. The Minister of Munitions and Supply read to the house an announcement that was made in the House of Lords.

Mr. GRAYDON: That is not what he said.

Mr. HANSON (York-Sunbury): He did not say that.

Mr. CRERAR: Oh, yes; he did.

Mr. HANSON (York-Sunbury): The record will show.

Mr. ILSLEY: Mr. Speaker, I would like to have a little order when I am speaking decently and civilly in this house, but very often I do not meet with it, and I could name certain hon. gentlemen, too, from whom I do not meet with it.

The case before us is exactly as if the Minister of Munitions and Supply had said: I have an announcement which was made in the House of Lords and is enclosed in a private or a personal letter. That is exactly the case. One must look at the pith and substance and sense of the rules. The rule about tabling a letter is to prevent part of a letter from being read to the house when there is something in the context that alters the meaning of the part that is read. That is the principle underlying the rule. But when an hon. member of this house reads an official announcement it does not make any difference whether he takes it out of a letter or whether it was an enclosure with a letter. It does not carry with it the obligation of reading a personal letter in this house, and the hon. leader of the opposition is attempting to stretch the rule beyond any bounds of common sense when he says that that should be done. We are on an academic point, because the letter has been read to the house and made public at the instance of the leader of the opposition. It would be an irresponsible attitude for the leader of any party to take to press for the reading of a personal letter in the house when all that the member who was speaking was doing was giving to the house the terms of an official announcement.

Mr. HANSON (York-Sunbury): On the point of order, Mr. Speaker, I think the error that has been disclosed—

An hon. MEMBER: There is no point of order in that.

Mr. HANSON (York-Sunbury): There was a point of order raised by my hon. friend here arising out of an error on the part of the minister, who announced that he was reading from a letter from Lord Beaverbrook when he intended to read from a statement enclosed in a letter from Lord Beaverbrook. That emerged afterwards. There is no doubt that the minister said that he was reading from a letter from His Lordship, and I assumed at the beginning that it was an official letter and therefore that it was entitled to be tabled in this house. But the actual position seems to be this, that Lord Beaverbrook prepared a statement for the House of Lords, and then enclosed a copy of it in a letter to the minister. The statement which he made in the House of Lords was properly read by the minister to the house. I do not

think he was called upon to read a personal letter. What happened was that the minister fell into error in the first place and thereby led us into error, and then later corrected the position. I conceive the rule to be this, that any official communication read to the house should be tabled, but personal letters should not be tabled and should not even be referred to.

May I be permitted to say a word on one other point arising out of the minister's statement? I understood him to say that the British government in the first instance had accepted the Canadian proposal. My question is based on a statement in a Canadian press dispatch which appears in the Ottawa *Journal* this morning entitled "U.K.—"

Mr. SPEAKER: This has gone beyond what is before the Chair. As I understand it, the leader of the opposition raised the point of order that the letter read by the minister should be laid on the table. If there is any other hon. member who wishes to speak on that point, I shall be glad to hear him.

Mr. RALSTON: Mr. Speaker, I should like to follow what my colleague said, with this. I think the hon. member for York-Sunbury has in a general way cited the rule correctly. The rule as mentioned in the third edition of Beauchesne, at page 111, reads as follows—and I quote it now because this point frequently comes up and there is a great deal of misunderstanding about it:

> 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. On the 18th May, 1865, the attorney-general, on being asked by Mr. Ferrar if he would lay upon the table a written statement and a letter to which he had referred on a previous day, in answering 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.

That same rule was laid down by you, Mr. Speaker, last session in connection with a document which was read by the hon. member for North Battleford (Mrs. Nielsen). I support what my colleague the Minister of Finance (Mr. Ilsley) has said, that the reading of a public document enclosed in a letter does not compel for a single instant the laying on the table of the private letter in which that public document was enclosed.

Mr. GRAYDON: May I add one word, Mr. Speaker? Whatever may have been the argument against tabling this document, the minister quickly and strangely surrendered to the request I made, and I can only hope that in the public interest he will continue to surrender. My point is that once the minister had read, as he said, the full letter to the house, he took away any possible argument against tabling it that there was from the government's point of view on the ground that it was a private or personal matter. He could not possibly say that of a letter which had been read; therefore I am going to ask that the letter be tabled. If I am not permitted to do that under the rules, I am afraid there is nothing I can do about it, but certainly I think I am right in my request.

Mr. NOSEWORTHY: I think this is a point which should be cleared up. I ran into the same difficulty in this house on March 27 last, when I was reading from a personal letter and the Minister of Munitions and Supply, at page 1879 of *Hansard*, asked that the letter be tabled. I then asked whether the rules of the house obliged me to do so, and the Minister of Mines and Resources (Mr. Crerar) said: "They certainly do." And the Minister of Munitions and Supply said: "Oh, yes." I then laid the letter on the table under protest, but the next day received it back from the Clerk of the House, who told me that the rules of the house did not permit me to lay the letter on the table.

Mr. CHURCH: Is this motion debatable, Mr. Speaker?

Mr. SPEAKER: There is no motion before the house. With respect to the point of order raised by the leader of the opposition in regard to the letter read by the Minister of Munitions and Supply, it appears to me that there is nothing for me to decide, because the house has taken cognizance of the letter. Objection was taken by the leader of the opposition regarding this letter, and the Minister of Munitions and Supply replied to that by reading the letter in full into *Hansard*. We are not dealing with a departmental report. As Bourinot so aptly says, at page 243, "No document can be regularly laid on the table unless in pursuance of some parliamentary authority." Beauchesne's Parliamentary Rules and Forms, third edition, page 145, paragraph 385, says with regard to papers which are laid before the house:

> Papers are laid before the house in pursuance of
> (1) Provision of an act of parliament;
> (2) An order of the house;
> (3) An address to the crown;
> (4) The command of the crown;
> (5) Standing orders of the house.

The letter in question does not come within any of these categories, therefore it need not

be laid on the table as a parliamentary paper. It may be tabled for information during a debate, but there is no motion before the chair at this moment. It is true that it could have been said, and it was so stated by the Minister of Finance, that the document need not be laid on the table of the house if it be against the public interest. Paragraph 278, on page 111, states:

> 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.

If there was a debate and that debate contained some reference to a document which was cited by a minister of the crown, undoubtedly that letter would have to be placed on the table of the house, according to the well-known principle that you cannot in a court of law seek to supply evidence from a document without producing the document. But there is no debate before the house, and therefore the position is, I take it, that I have nothing to decide. The letter has been read; it is part of the record, and there it must stand.

Mr. GRAYDON: May I ask Your Honour—

Some hon. MEMBERS: Order.

Mr. GRAYDON: I am not going to submit to that kind of thing. If Mr. Speaker asks me to sit down I will sit down, but I am not going to be told to do so by a lot of people across the floor. Your Honour referred to the letter having been read in full. I should like the minister to state whether what he read is the letter in full?

Mr. HOWE: It is, with the exception of one sentence.

[Later]

Mr. HANSON (York-Sunbury): May I ask the Minister of Munitions and Supply a short supplementary question arising out of his reply to the hon. member for Lake Centre? Did I understand him to say that in the first instance the United Kingdom government, or the Beaverbrook committee—whichever he may designate—had accepted a Canadian-sponsored plan regarding post-war international regulation of civil aviation? Had they actually accepted it, and if so, is it not a fact that they have now abandoned it? I would think that that is so, from the Canadian Press report, but I want to know if they had actually committed themselves to the plan. I am not sure that he made that clear.

Mr. HOWE: I have tried to make it clear that the plan has not been presented to anyone for acceptance or rejection.

Mr. HANSON (York-Sunbury): It was a basis—?

Mr. HOWE: It was put forward as a basis for discussion. It has neither been accepted nor rejected. But I think my hon. friend will see, if he reads Lord Beaverbrook's letter which I put on *Hansard*, that the conference was interested in it.

Mr. DIEFENBAKER: This matter is a most important one. The minister in his answer to the question as to what took place yesterday in the House of Lords, referred me to a letter dated on April 26. This press dispatch dealing with what took place in the House of Lords yesterday states that Lord Beaverbrook, the Lord Privy Seal, disclosed that last year's commonwealth discussions provided for an all-red route, presumably an air route girdling the globe and operating entirely on an empire basis. The question I wish to direct to the minister is this. Did Canada come to an agreement with the empire countries at the commonwealth conference for an all-red route? That question, Mr. Speaker, arises directly from the discussion which took place in this chamber when the convention was before the house, and I ask whether or not Lord Beaverbrook properly set forth the facts in that regard in the House of Lords yesterday.

Mr. HOWE: I have not seen Lord Beaverbrook's statement in the House of Lords. I have seen the official statements of all the conferences which have been held to this date. I gave the house the official statement, that is the agreed statement issued from the conference recently held in London, and I find no reference to any such discussion. It is well understood in discussions of this type that the agreed statement is the only information which can go forth from the conference.

Mr. DIEFENBAKER: Does the minister say there was no agreement on an all-red route?

Mr. HOWE: There was no agreement resulting from any of the discussions. All meetings have been for the purpose of exploratory discussions. They resulted in discussions, not agreements.

Mr. HANSON (York-Sunbury): Proposals?

Mr. HOWE: As I say, I am bound not to give any more information about these discussions than was contained in the agreed statement.

FISHERIES

TIE-UP OF HALIBUT FISHING FLEETS ON PACIFIC COAST

On the orders of the day:

Mr. THOMAS REID (New Westminster): I should like to direct a question to the minister who is acting on behalf of the Minister of Fisheries: it has to do with the halibut fleet on the Pacific coast. That fleet should have commenced fishing operations after April 16, but so far no boat has gone fishing. What steps, if any, have the government taken or do they contemplate taking to deal with the difficulty which exists in connection with the tie-up of the halibut fleet?

Hon. J. E. MICHAUD (Acting Minister of Fisheries): On behalf of the Minister of Fisheries, and in reply to the hon. member for New Westminster, I may say the information which is laid before me is as follows:

Although halibut fishing was permissible from April 16, the entire United States and Canadian halibut fleet on the Pacific coast has remained tied up. The United States fishermen are not satisfied with price ceilings announced by the Office of Price Administration. The halibut fishery is an international one, and the Canadian fishermen have decided to remain idle in sympathy with their United States friends. Despite continuous negotiations between the United States fishermen and O.P.A. no agreement has been reached, and, as far as it is possible to ascertain at this time, there is no immediate prospect of reconciliation.

There is no relation of employer and employee between the Canadian government and the fishermen, and it is only by persuasion that the Canadian fishermen could be induced to resume their fishing operations. So far they have been adamant to any representation made by the Canadian government.

THE PRIME MINISTER

QUESTION AS TO PUBLICATION IN "HANSARD" OF ADDRESS TO UNITED KINGDOM HOUSES OF PARLIAMENT

On the orders of the day:

Mr. A. W. ROEBUCK (Trinity): May I direct a question to the administration through the Acting Prime Minister? I think it is fitting that the attention of the house should be called to an historic event which took place this morning, when the Prime Minister of this country (Mr. Mackenzie King) addressed the combined houses of parliament in Great Britain. I ask not only that we take notice of that historic event, the first time I believe in the history of the Dominion of Canada that a prime minister of this country has addressed the combined houses of parliament in Great Britain, but I would inquire whether his address, and the various speeches accompanying it, since they will be printed in the British *Hansard*, will also be printed in the *Hansard* of this house.

Hon. J. L. RALSTON (Acting Prime Minister): This matter was brought to my attention from another source just before three o'clock. At that time I wanted to have a word with my hon. friend the leader of the opposition, but I was not able to get him at the moment. Since I came into the chamber the hon. member who asked the question mentioned the matter to me privately. I have considered it, and my view, as representing the government at the present time, is that probably it is not in order to print, either in *Hansard* or as an appendix to *Hansard*, an address made outside the house.

Mr. HANSON (York-Sunbury): There is no doubt about that.

Mr. CRERAR: It will be printed.

Mr. RALSTON: I realize of course that it is printed in the British *Hansard*. It appears as a matter of courtesy, in the same manner as the speeches of Mr. Churchill and Mr. Eden were printed here. My suggestion, as to which I wanted to speak to the leaders of the opposition and of the two groups, is that I should get copies of the speeches made by Mr. Churchill, by the Lord Chancellor, and by the Honourable the Speaker of the House, along with the speech of the Prime Minister to which my hon. friend has referred, and that they should be tabled in this house, because I think all will agree, regardless of party, that it was an historic event. The house can then consider whether or not they desire to have the speeches printed either in *Votes and Proceedings* or as a house paper. I shall speak to my hon. friends the leader of the opposition and the leaders of the other two groups, with reference to the matter. In the meantime I simply wish to indicate what my views are, first, with regard to the printing in *Hansard* and, secondly, with regard to the procedure that might be adopted, having regard to the significance of the occasion.

HOUSING

BUILDING OF WAR-TIME HOUSING IN TORONTO

On the orders of the day:

Mr. T. L. CHURCH (Broadview): I wish to ask the Minister of Munitions and Supply (Mr. Howe) a question arising out of an insufficient return to an order of the house on war-time housing. I refer to return 112A

which states, in an answer, that no war-time houses were built in Toronto. My question is this. Is the minister arranging for the building of 500 war-time houses in Toronto? Who will administer them, and will the rents be collected by the municipality? I may say that 250 new war-time houses are to be built in Windsor, according to my understanding. Will the same practice be followed in Toronto and, if so, to what extent?

Hon. C. D. HOWE (Minister of Munitions and Supply): While it is technically true that no war-time houses have been built in Toronto, it is in fact hardly correct to say that. It was decided by the mayor of Toronto and myself that the purposes of that city would be better served by building war-time houses outside the limits of Toronto, and that has been done. Two hundred houses have been built at Malton, and also a men's hostel to accommodate 422 persons and a women's hostel accommodating 422 persons. Two hundred houses have been built at Long Branch together with a women's hostel to accommodate 416 persons. That is really housing for the city of Toronto, which could just as well have been built inside the city limits, had those concerned in that area not felt that the houses could be better built to better advantage outside. War-time housing has been instructed to study further the needs of the Toronto area and I hope shortly to be able to inform the house as to what arrangements are being made for additional houses. I am not able to do so to-day.

INQUIRY OF THE MINISTRY

RELEASES TO THE PRESS—TIME OF ANNOUNCEMENT IN THE HOUSE

On the orders of the day:

Mr. T. L. CHURCH: I wish to ask a question of the acting leader of the government. Is it not the practice in the British House of Commons, with regard to such war announcements to-day concerning the three services such as the air, for such announcements to be made in the house on the same day on which they are given to the press? We had a premature announcement on civil aviation about a month ago in connection with Washington. This parliament ought to be informed first on any conventions or agreements. Are we to have all these announcements made, against us or with us, and binding on Canada, without the house having anything to say or do about it?

Hon. J. L. RALSTON (Acting Prime Minister): I do not know to what announcement my hon. friend is referring, but speaking for the department I represent, I have always said it did not seem to me that this house should be a bulletin board and that matters of news, the usual statements as to matters going on in the department from time to time, should be published in the regular way in the newspapers for the benefit of members and everyone else. Matters of policy, when the house is sitting—it is, I think, almost the invariable rule—are announced in the house at least concurrently with publication in the newspapers, if not prior thereto.

VICTORY LOANS

QUESTION OF ACCEPTANCE OF BONDS IN PAYMENT OF DOMINION SUCCESSION DUTIES

On the orders of the day:

Mr. H. R. JACKMAN (Rosedale): I wish to ask the Minister of Finance a question on the basis of a statement by the provincial treasurer of this province, to the effect that victory bonds of the sixth series will be accepted at par and accrued interest in payment of Ontario succession duties in every estate liable to such duties if the bonds were the property of the deceased during his lifetime. Will the minister also accept victory bonds in this series at par value in payment of dominion succession duties if the bonds were held by the deceased during his lifetime?

Hon. J. L. ILSLEY (Minister of Finance): The answer is that the bonds are not so accepted. The question, as a practical one, has not arisen, because bonds have not gone down. If anything they have gone up, and we hope and believe they will not go down. For reasons I have repeatedly stated throughout the country, we have felt that we could not as a dominion give special—

Mr. JACKMAN: Ontario did it.

Mr. ILSLEY: But we do not follow all precedents set by the province of Ontario.

Mr. GRAYDON: It might be better if you did.

Mr. ILSLEY: It was felt that the dominion government could not give a special value, or guaranteed value, to bonds held by certain persons, namely, those whose estates will be subject to succession duties.

Mr. COLDWELL: If such a policy is considered, will it be extended to all the people of Canada and not merely to a few estates?

Mr. HANSON (York-Sunbury): Anyone who dies and is liable to succession duty.

Mr. ILSLEY: The question which the hon. gentleman asks is objectionable on two grounds. In the first place, it is a hypothetical

question, and, second, it would involve a matter of government policy which would be announced in due course.

Mr. LOCKHART: Would the Minister of Finance be good enough to indicate to what extent the bonds of the fourth and fifth victory loans subscribed to by those who are overseas have been issued? Are they still in process of being issued? I have received inquiries from boys overseas whose next of kin have not received bonds paid for some time ago and I was wondering to what extent the issuing of these bonds had been carried out.

Mr. ILSLEY: That is obviously a question which I cannot answer without notice—

Mr. LOCKHART: Would the minister be good enough to consider it and answer later?

Mr. ILSLEY: —nor is it one which, in my opinion, should be asked on the orders of the day. In order to answer it correctly, one would have to have an extensive investigation carried out with reference to dates. I am fully aware of the problem and under great pressure of work, in spite of lack of staff, we are trying to get them out as promptly as possible.

BANK ACT AMENDMENT

CONDITIONS GOVERNING TEN-YEAR EXTENSION OF BANK CHARTERS

The house resumed from Tuesday, May 9, consideration of the motion of Mr. Ilsley for the second reading of bill No. 91, respecting banks and banking, and the amendment thereto of Mr. Coldwell.

Mr. ANTHONY HLYNKA (Vegreville): Bill No. 91, an act respecting banks and banking, contains provisions which will govern the conditions of the extension of bank charters for the next ten years. It may well be said that economic conditions in Canada for the next ten years will be governed by this bill. For these and other reasons, I consider the bill to be of extreme importance. I regret to say, however, that to me the bill looks more like a charter for a new depression than a new lease on the economic life of the nation.

The stand of the Social Credit movement on monetary and economic matters should, I think, by this time be well known across this country. During the past nine years the Social Credit members of parliament have placed upon the record of this house, time and again, some of the most enlightening material on the subject. The hon. members for Lethbridge (Mr. Blackmore), Acadia (Mr. Quelch), and Wetaskiwin (Mr. Jaques), have gained for themselves prominent recognition in this field. We may also include in this group three or four members from the Liberal ranks, the leading two of whom are the hon. member for Vancouver-Burrard (Mr. McGeer) and the hon. member for Parry Sound (Mr. Slaght). Disappointing, however, is the fact that the Liberal monetary reformers talk monetary reform but always vote with the government in support of reaction.

I would say that the Minister of Finance (Mr. Ilsley) achieved the object which he aimed at by his speech of May 2. His twenty-one page provocation drew out the opposition groups to speak along the lines which he charted for them. This arrangement smothered a considerable amount of anticipated attack. As was said the other day, the minister took the offensive and in my opinion, Mr. Speaker, the results so far show that he has had a measure of success.

The minister certainly showed courage when he undertook to divert the attention of the house from the inefficiency, shortcomings, and inadequacy of the government's policy, and to unleash a projected attack upon what he considered to be the unsound stand of opposition groups. In other words, the minister placed the opposition groups on trial before this house and the country, and he assumed the role of the prosecuting attorney. In my humble opinion the positions should have been reversed.

I should like to make only three or four references to the minister's speech of May 2. In the first place, the minister unloaded the blame for the last man-made depression on the first world war. No doubt his successors, by the same process of reasoning, will blame the next depression on the present war. In the second place, the minister quoted Professors Thorp and Mitchell as his authorities for Canada enjoying 1·86 years of prosperity for each year of depression. I am prepared to take the minister's word for the correctness of this statement. But would the minister mind explaining to the house and to the country why a nation as rich as Canada is should have one year of depression for every 1·86 years of prosperity? Why should there ever be depression in the midst of plenty?

Mr. ILSLEY: May I say a word at this stage about that? The professors who made the study had the years divided into years of prosperity, revival, recession and depression, which were defined in accordance with their own principles. When that fact is taken into consideration the picture is certainly different from the impression given by me. Moreover, the period covered was from 1888 to 1924, and was before the establishment of

many central banks, and certainly long before the time when central banks had developed and perfected techniques for controlling savings from prosperity to depression. But it must be admitted that in the period between 1888 and 1924 there were business cycles. The point of the quotation was, of course, to show that Canada's position was better in that respect than that of all other countries or at least seventeen other countries.

Mr. HLYNKA: An argument to the effect that Canada has had more prosperity in decimal points than some of the other countries in the world does not prove to me that we should have any depression. Of course, if we think along the lines of reaction it would seem to indicate that for this nation to enjoy 1·86 years of prosperity as against one year of depression is quite an achievement. But, as I said, the situation is one that cannot be justified.

The third point that I wish to refer to in the minister's speech is to me a significant statement which appears at page 2549 of *Hansard* of May 2. In defence of the government's policy the minister states:

> There is no reason why the government should seek to escape the cost of interest on its borrowings at the expense of any one or all of these particular groups associated with the banks. The only equitable policy is for the government to pay reasonable rates of interest appropriate to the form and nature of the borrowing and meet the cost from taxation levied by parliament.

I believe that the shoe should be on the other foot. The minister says "Why should the government seek to escape the cost of interest on its borrowings at the expense of any one of those particular groups associated with the banks?" May I ask the minister this question: Why should the banks escape with the privilege of the issuing and withdrawing of credit which rightly belongs to the people? The minister further explains that he finds four objections to the social credit proposals, and they appear in *Hansard* to this effect: (1) That if the Social Crediters had their way the shareholders of the banks would have to suffer losses; that is, if the right to expand credit were restored to the people; (2) That the depositors would pay higher service charges; (3) That interest rates would have to be reduced on savings to depositors and, (4) that bank employees would get less in wages and salaries. May I state frankly that the four arguments advanced by the minister cannot hold water. Just as the inflation bogey became worn-out, threadbare, until the minister was forced to give up that argument, so will these four gems of wisdom eventually fall by the wayside.

The minister built up his whole argument on the premise that there was little wrong with the government's policy. However, he failed to explain to the house and to the country why the old *status quo* policy has failed so miserably in the past. Instead of devoting so much time to suppositions why the new proposals of opposition groups would not work, the minister would have rendered a service to the country had he confined himself to an explanation of how his policy will be made to work. This is one question, among others, that should have been answered by the minister. However, he sidestepped many important questions, and went on to build up his case against the new proposals. For this reason I desire to ask the minister a few questions, to which I should like categorical answers.

1. Would the minister tell this house and the country by what method he intends to repay the staggering debt of this dominion? Does he consider it necessary to repay it and, if so, when does he intend to begin?

2. Would he tell us how he proposes to meet the interest falling due each year on our huge national debt? Is he aware of the fact that 44·04 per cent of our national income in 1934 was swallowed up by interest charges on our national debt, leaving only 55·96 per cent of the national income to take care of all other expenses? That was the situation when our national debt was only $3,141,042,097. What will be the situation when our national debt reaches the fifteen billion dollar mark after the war?

3. Will the minister give us the assurance that no money consideration will be permitted to stand in the way of our post-war reconstruction? He did give us this assurance as far as the prosecution of the war was concerned. Will he now give us the same assurance in respect to the peace-time requirements of this nation? I feel that the people of Canada should have this question answered.

4. The minister did not explain by what manner of means he intends to place sufficient purchasing power in the hands of the people of Canada to enable them to buy the goods and services they require to maintain a decent standard of living. This standard of living should be commensurate with the wealth of this nation, which we can give our people in goods and services.

I will make this statement, that if the government continues to pursue its present financial policy it will put an end to private enterprise in Canada. Socialist critics at the present time are using the argument that private enterprise is to be blamed for the many ills from which the people of Canada

have suffered in the past, and I can tell the government that there seems to be a considerable number of willing listeners to that unsound argument. These critics refuse to admit that it was the monetary system which failed to distribute the goods that private enterprise was ready to produce. I believe in private enterprise for the farmer, for the business man and in other pursuits, but I wish to make it clear that I oppose any and all monopolies, government or private. It is my considered opinion that all economic reform is based on monetary reform; and unless the government is ready and willing to give the Canadian people real monetary reform, all talk of reconstruction, housing schemes, rehabilitation schemes, old age pension schemes, health schemes, educational schemes, a floor under the income of the farmer and so on will remain idle and futile, in the words of the right hon. Prime Minister (Mr. Mackenzie King).

Social Crediters have two main slogans which I believe express at least in part the social credit philosophy. The first is: "What is physically possible must be made financially possible." May I illustrate the point? If in time of war we had men and material, would we refuse to manufacture the weapons of war because there was no money? I suggest to you, Mr. Speaker, that no government would dare advance this "no money" argument in time of war so long as men and materials were available. That has been amply proven during this war. Now let us take a peace-time period. If we have materials which the people need, shall we continue to tell them that we cannot feed and clothe them because there is no money? Any government permitting such a condition to exist after the war will have no place in Canada. Our second slogan is: "Security with freedom." Not only do we propose to give our people security; we will assist them in guarding jealously the hard-won freedoms for which our forefathers laid down their lives. At the present time we hear men prominent in our public life stressing in their speeches and in written articles the material and economic side of life. I agree that the economic side of life is most important. I agree that the people of this rich nation no longer should tolerate anything which would resemble the pre-war years. I believe the Canadian people should be enjoying the highest possible standard of living. At the same time, to become purely materialistic, we hear theories advanced along these lines: promises made to the people that all they have to do is give up part of their freedom, give their consent to certain amounts of regimentation, and they will be guaranteed security. I feel that the time has come when hon. members should rise and declare their stand on this important point. We must draw a distinct line between those proposals which would land us eventually in a totalitarian set-up, and those which would guarantee the people national economic security and freedom.

Therefore I repeat that the Social Crediters have two main slogans. The first is: "What is physically possible must be made financially possible," and the second: "Security with freedom."

If this bank bill is the best the minister and the government can produce then I personally feel that the people of this nation will demand that the minister and the government guarantee to them the results which they want and the things which they need. As I pointed out, 55·96 per cent of our total national income in 1934 was left to discharge our obligations, to pay old age pensions, to pay our civil servants and to take care of all other expenses that enter into government. Our national debt has now risen until it is in the neighbourhood of $15 billion. I say then that the people of this country cannot expect any improvement along economic lines unless our money system is changed. I for one am disappointed to find that the best the government can do, after the heroic achievements of the men and women in our armed forces, is to bring down a bill which, as I said, reads more like a death warrant than a new lease on the economic life of this nation.

Mr. W. A. TUCKER (Rosthern): Mr. Speaker, as the first member supporting the government to speak this afternoon I should like to express our pride and gratification at the eloquent, moving and statesmanlike speech of the leader of this house, the Prime Minister of Canada (Mr. Mackenzie King), before both houses of parliament in London this morning. I feel that it was a most historic occasion, and the speech of the Prime Minister was worthy of the great occasion and our great country which he so ably represents at the present time.

At the outset of my remarks I wish to commend the Minister of Finance for the able and thoughtful speech he made when he introduced this bill with respect to banks and banking. It was alleged to be provocative, but the thought occurred to me that surely the minister had the right to defend the system of regulated free enterprise in which he believes, just as anyone else has the right to attack that system. It seems to me that there has been growing up in the country on the part

of some people a strategy of making violent attacks on the honesty of purpose and the integrity of motive of other parties. Then when those parties defend themselves, the parties who had made the first attack play the martyr and pretend that the others are the aggressors. It reminds me of the strategy which was employed recently by a certain man in European affairs. It enabled him to gain certain initial successes, but they are not remaining very permanent.

I commend the minister particularly for the information he gave in regard to the operations of the chartered banks. In order properly to understand and deal with these matters of laws regarding banking we must have this sort of information. The giving of such information recognized that these banks are administering a valuable franchise granted to them by this parliament on behalf of the people of Canada—and the people of Canada have a right to know how and in what manner they, the banks, are discharging the obligations which were placed upon them by the granting of this franchise.

This bill will renew the charters of ten banks for the period from 1944 to 1954. The decision we shall make and the bank charters which we shall establish will be, in my opinion, one of the most important pieces of legislation passed in this parliament. We shall be legislating for a decade which should see us win final victory over the aggressor nations of the world. That decade should see the return to this country of our gallant men and women of the armed services and their re-establishment in the civil life of the country. It should see, we hope, a period of the greatest prosperity that Canada has ever known. Most economists believe that such a post-war era of prosperity is possible if certain basic and now admittedly essential steps are taken.

The primary step which most economists seem to agree will have to be taken is to permit the free flow of international trade in this post-war era. Anyone who has studied the causes of the depression which started in 1931 will, I think, admit that the main cause, not only in the case of Canada but throughout the world, was the loss of export markets. This was owing to the chaotic conditions in Europe and the trade restrictions and other interferences with trade imposed by European nations in an attempt to prepare themselves for war if it should come.

Then in the case of Canada there was an additional reason in that there was a period of almost ten years of most extensive and almost continuous crop failure in western Canada. This period extended from 1930 to 1938 inclusive. An attempt has been made to attribute the ills from which Canada suffered during that period to our present economic system, but I feel that the majority of our people, after they study the facts which have been and will be laid before them, will reject decisively this attempt to mislead them. All countries experienced a depression during that period. In one socialist country which suffered no crop failures such as we had in Canada millions died of starvation during that period.

In this connection I should like to quote a well know western editor, I believe now deceased, Mr. Charles W. Peterson. He was editor of the *Farm and Ranch Review* of Calgary from 1912 on. In an article published not long before his death he said:

> I have never been able to see how socialism would help the farmer in any substantial way. The crisis of the 1930's which is solely responsible for the existing political revolt on the prairies had nothing whatever to do with our "free enterprise" economy. We had a series of crop failures in the west which no political action could have prevented. And we had almost complete demoralization of prices solely due to conditions in Europe. The only useful thing any Canadian government—socialist or capitalist—could do was to help the farmer by way of public subsidies and relief, which, as we all know, was promptly done. Whether we had had Liberal Prime Minister King or High Commissar "Comrade" King, in command, the situation would have been neither better nor worse.

In approaching the revision of our banking system there seemed to be two points of view among the parties in Canada. I am not quite so sure about the present attitude of the Labour Progressive party, but leaving them out of the picture we have the Cooperative Commonwealth Federation advocating a gigantic state owned and operated banking monopoly. All other parties, as I understand their present attitude, wish to retain our present competitive banking system and to reform it in a greater or lesser degree.

I suggest that the purpose of a banking system should be to provide credit to a people, individually and collectively, to the extent that is in the best interests of this country, that it should be supplied as cheaply as possible, and without taking away the fundamental rights of the people.

In what way will a state-owned monopoly do this better than our present system? In the first place, will more credit be provided? Apparently the banks have taken more chances in regard to lending money than I had thought they had, until I heard the figures given by the Minister of Finance (Mr. Ilsley). According to those figures the average losses during the past fifteen years and up to and including 1942, less recoveries, averaged $13,800,000 a year. A more generous lending policy obviously

would have entailed heavier losses and increased the cost of credit. One of the things that the advocates of socialist operation of banks would have to answer is this: Would a bank operated by government employees be more ready to take chances on sustaining losses than operators of private enterprise, who might be induced to take a chance in order to gain some profit? My experience of those in government positions is that they will not take chances because they have nothing to gain if it works out right and they have everything to lose if it works out wrong. So that I think the chances of getting a freer credit policy from a state-operated banking system would not be great.

Second, would it lead to cheaper credit? Institutions run in competition with one another are likely to be more efficient than any giant monopoly. This is even admitted by the leader of the C.C.F. party himself, when he says that if he took over the Canadian Pacific Railway Company, as he says he would do, he would operate it in competition with the Canadian National Railway. If it is a good thing to keep the two railway systems operating in competition with each other, why in the world would it not be a good thing to keep the banks operating in competition with one another? The answer of the C.C.F. is that they would create one state-owned banking monopoly.

It may be argued that a state-owned bank would operate at lower rates because it would not need to operate at a profit. I would suggest to you, Mr. Speaker, from what I have seen of state-operated institutions, that the chances are that if they charged the same rates as the present banking institutions do they would probably have no profit. But, as it is, we do tax that profit at a heavy rate and leave only enough to give a reasonable return on the capital invested, plus compensation for risks run and efficient management, plus a certain amount to cover possible losses in the years which might not be so prosperous.

It may be that the banks, on the basis of present interest rates, are making a higher profit than they perhaps should. The answer to that is that the rates have been coming down ever since this government came into office in 1935, and I feel that that process should be continued. You do not have to socialize the banks in order to reduce bank profits to a fair level.

There is, however, an overriding consideration which I think at this time is most important, particularly now when we are spending the precious lives of our sons to protect our democratic and free institutions.

[Mr. Tucker.]

I submit that the more you extend the field of government action, the more you endanger our present democratic system. When everyone is working for the government, the government becomes master of the people and the people become servants of the state. Indeed this is the avowed purpose of the leader of the C.C.F. party and of the C.C.F. in socializing the banks. To prove that, I should like to read from an article by the leader of the C.C.F. party which appeared in *Maclean's* magazine of September 1, 1943. Here is what he said:

> However, there are certain key industries control of which automatically brings about control over the economy as a whole. The financial machinery, transportation, electric power and large monopolies are such key industries.

Then in the C.C.F. book, "Make this Your Canada", written by David Lewis, national secretary of the C.C.F. party, and Frank Scott, national chairman of the C.C.F., with a foreword by M. J. Coldwell, national president of the C.C.F. and member for Rosetown-Biggar in this house, which publication was issued August 16, 1943, the Regina manifesto of the C.C.F. party is given, and I quote the second plank, in part:

> Socialization of Finance.
>
> Socialization of all financial machinery—banking, currency, credit, and insurance, to make possible the effective control of currency, credit and prices, and the supplying of new productive equipment for socially desirable purposes.
>
> Planning by itself will be of little use if the public authority has not the power to carry its plans into effect. Such power will require the control of finance and of all those vital industries and services, which, if they remain in private hands, can be used to thwart or corrupt the will of the public authority. Control of finance is the first step to the control of the whole economy.

I emphasize the last sentence:

> Control of finance is the first step to the control of the whole economy.

It goes on to say what their ultimate objective is:

> No C.C.F. government will rest content until it has eradicated capitalism and put into operation the full programme of socialized planning which will lead to the establishment in Canada of the cooperative commonwealth.

It might be objected that the present C.C.F. does not adhere to that manifesto; but the hon. member for Rosetown-Biggar (Mr. Coldwell), writing in *Maclean's* magazine of September 1, 1943, said this:

> Question (1) is wrong in seeming to assume that there has been any confusion between the original Regina manifesto and any later pronouncements either by myself or by the party as a whole. The manifesto was and remains a statement of the basic principles of the C.C.F.

The hon. member for Weyburn (Mr. Douglas), speaking in this house the other day, said, as reported at page 2731 of *Hansard*:

> I say to the minister that we do not believe in socializing anything just for the fun of socializing it.

The pronouncements of the Regina manifesto on behalf of the president and the secretary of the C.C.F. party, endorsed by the leader of the party, are more authoritative on that point than any pronouncement by the hon. member for Weyburn. I submit that the hon. member for Weyburn should not in this house or in the country pretend that their policy is not socialization when it is the admitted policy of their party. He went on to say, still on page 2731 of *Hansard:*

> There can be only one criterion as to whether or not anything should be operated by the public, and that is whether it can thereby be operated to the better advantage of the community as a whole than by leaving it in private hands.

There is another criterion and it is a more important criterion still. Admittedly at times a benevolent autocrat might operate our state more efficiently for a period of time than we can under our democratic system. But is this all we care about in this country of ours? Is our democratic system worth so little that we would barter it away in order to get a benevolent autocracy that might be able to administer the country more efficiently for a time than our democratic system? Are we to sacrifice our freedom and political democracy for an alleged improvement in our economic lot? I say "alleged," because it is the history of mankind that after peoples have placed themselves in the hands of an all-wise dictator they generally find that he ultimately makes a big mistake which does more harm in one year than he has done of good in all the previous years of his government, and if he manages not to make a mistake he is invariably followed by somebody who does. In other words, Caesar Augustus was followed by Nero.

The danger is great. So-called democratic socialism of the sweeping type advocated by the C.C.F. is bound, in my opinion, to lead to dictatorship in the long run, and maybe not so long either.

The Liberal party favoured the Bank of Canada as a nationally owned and controlled institution, and brought it into existence as such, because it was deemed that on balance it was in the best interest of the people to bring it under government ownership and control and that by doing so there was no great threat to the democratic liberties of the people of Canada as a whole. I submit that, if ever the question arises, if it could be shown that monopolistic government banking would operate somewhat more cheaply, if it would endanger the fundamental democratic liberties of our people, we would not want it. We want no dictator in Canada, no matter how smart he may be, no matter how wonderful the promises he makes of how much better off we shall be if we place ourselves within his power.

Therefore I believe the present competitive and controlled commercial banking system is better than the gigantic monopolistic banking system proposed by the C.C.F. I know it can be improved so as to serve the people better than any state-owned monopoly could or would, and since the object and result of government ownership and control of the whole banking system by any party is admittedly the dictatorial control of our nation, I shall oppose the amendment.

I stated at the outset that all other parties than the C.C.F. believe in improving our present banking system. I believe our party has accomplished real reforms in the years it has been in power. The first great reform was to establish full ownership and control of the Bank of Canada by the people of Canada as represented by this government and this parliament. Anyone who understands the nature of the powers of the Bank of Canada realizes that the government, by being in control of it, in the last analysis has absolute control of the issue of currency and credit in this country, as to the volume to be issued, not of course as to who individually shall receive it.

What has been the record since control has been taken by the Bank of Canada of the financial system of this country? I should like to give the house figures indicating the decrease in the cost of money to our government since 1936.

On March 31, 1935 the average rate of interest paid on direct governmental borrowing was 4·15 per cent. If you take into account the $14 millions which was returned by the Bank of Canada to the consolidated fund, the net cost—the interest on—our governmental borrowing had been reduced to 2·45 per cent per annum on December 31, 1943. On March 31, 1935, it was 4·15 per cent per annum; on December 31, 1943 it was 2·45 per cent per annum. That is a reduction of 1·70 per cent per annum in that period of time, a reduction of over 40 per cent in the interest rate paid by our government on its direct borrowings. That was achieved in a period of nine years, and if the same rate of reduction were maintained in the next ten years the rate would actually be cut down to ·17 per cent per annum, or $17 interest for the use of $10,000 for one year. This indicates the rapid progress

which has been made in reducing the interest burden of our borrowings since the central bank was placed in charge of our financial system. As far as I am concerned I am favourable to continuing the present process of reducing the cost of governmental borrowings to a point where it will amount to only a small service charge. I am convinced that if we are to carry out the great reform programme which we intend to carry out and maintain a programme of full employment, we shall have to get the cost of governmental borrowing down to a level where it will represent only a small service charge, and we have been proceeding in that direction very rapidly. I earnestly commend the government for the progress it has made in that direction.

One of the means by which the Bank of Canada has effected this result is by the heavy purchase of government bonds and securities. Since March 31, 1935, it has increased its holdings of government bonds and securities from $152,100,000 to $1,345,900,000, an increase of $1,193,800,000. This credit costs the government nothing except the extra cost of operating the Bank of Canada in consequence of the purchase of these securities, because the income made by collecting the interest on them is turned over to the consolidated fund, less cost of operation. These operations have another and most important effect: they load the banks up with cash reserves on which th y must pay interest to depositors, and since, according to the figures given by the Minister of Finance, the average rate of interest on all bank deposits was ·53 per cent per annum, if all that billion dollars were taken by the people who received it and deposited in the banks, it would lead to an extra cost in interest to the chartered banks of this country of $5,300,000 per annum. This, I think, accounts for the willingness of the banks to buy short-term treasury bills. If they cannot loan their credit to private enterprise, rather than have it lie idle they must find some means of using it, and the system of treasury bills and deposit certificates has been resorted to. It is interesting to compare what we pay in interest to the banks of this country for these short-term loans with what the United States and Great Britain pay. On the last issue of treasury bills we pay ·387 per cent per annum. Concurrently the United States is paying ·375 per cent, almost the same, while the United Kingdom pays ·999 per cent, over twice as much. As of December 31, 1943, there were over one billion dollars of treasury bills and deposit certificates outstanding. This substantial item indicates that almost all the extra money issued by the Bank of Canada has had to be reinvested by the banks and financial institutions in these low interest-bearing treasury bills, on which the last rate of interest was ·387 per cent per annum, and the highest rate paid since March 31, 1943, was ·498 per cent per annum, less than one-half of one per cent per annum.

Naturally, the banks would gladly lend at higher rates of interest if they could find borrowers, but the farmers of the country, for example, are paying off their loans as rapidly as possible. The figures in this regard are quite interesting. Bank loans on October 31, 1939, as compared with October 31, 1943 were: Farmers loans, cattle and fruitraisers' loans, October 31, 1939, $57,000,000, and in 1943, $49,800,000, a reduction of $7,000,000. Manufacturers' loans, however, owing, I suppose, to the war, increased from $192,600,000 on October 31, 1939, to $302,-800,000 on October 31, 1943. Naturally, after the war there will be great expansion of industries to produce civilian goods, and the banks will be anxious to lend as much money as possible at a higher rate of interest than less than one-half of one per cent per annum. This will be particularly true of loans of intermediate credit under the proposed agricultural improvement act, because those loans will be in effect guaranteed by the government. I understand that an aggregate amount of 10 per cent of loans will be guaranteed.

That brings up a point which I wish to press on the attention of the minister. I feel under these circumstances that these loans should bear a top rate interest of 3 per cent per annum, and I say so for this reason. The cost of money to the banks, according to the figures given by the minister, which includes cost of paying interest on deposits, remuneration of employees, provision for taxes, contribution to pension fund, depreciation of bank premises, and all other current operating expenses, is 2·28 per cent of their total assets for the year 1943. The average total operating earnings are 2·86 per cent of total assets. If the average total earnings of the banks is 2·86 per cent, I submit that this money, used to assist farmers in getting labour-saving machinery and in building better homes for themselves, should be given to them at approximately the average rate of the bank's income. In other words, I suggest 3 per cent, and since their average cost of operation is 2·28 per cent of their assets, on these loans, which in effect are government-guaranteed, they would still be making, roughly ·75 per cent per annum, or more than their average rate of profit.

It is important that the farmers be given this consideration, because of their past difficulties and the present great contribution they are making to our war effort. Many of them are working long past the age at which they should be working. They are making a really tremendous contribution to the war effort of Canada, and they should therefore, in my opinion, receive special consideration after the war in order that they may obtain labour-saving machinery as soon as possible and be in a position to build for themselves homes with modern conveniences just as good as those which the people in the cities have. The government, I repeat, in making loans available at 3 per cent will not be putting a burden on the banks, because the banks are actually making on their assets an average of less than 3 per cent per annum.

That raises another point, namely, the top limit of interest on ordinary loans. I submit that the top limit should be five per cent and not six per cent as proposed in this bill. At the time when the government was borrowing money on long-term bonds at 5½ per cent, the top rate of legal interest chargeable by the banks was seven per cent. Now we are paying only three per cent on long-term loans. We have reduced the interest paid by the government on long-term loans by 2½ per cent, and I submit that we should reduce the top rate of interest chargeable on private loans by at least two per cent, making five per cent, the legal rate of interest in this country, the limit which banks can charge.

Undoubtedly competition will tend to reduce the rate of interest, but it does not operate so much in favour of the small borrower as it does in favour of the large borrower. It was found in recent years that the banks were charging six per cent in city districts and particularly in Ontario, while they were still charging seven per cent in western Canada and in the maritimes. A top rate of interest would protect the little man who is not able to bargain. The big man can bargain and get a rate of five per cent or less, but if you have a top rate fixed you protect the little man, because he is generally charged the legal limit. I would ask the minister to consider this proposal very seriously.

I am told that the banks, some of them anyway, have followed the policy of refusing to do business with anyone who has taken advantage of an act passed by this parliament, the Prairie Farm Assistance Act. If that is true; if they have taken that attitude, then they are in effect defying this parliament, because parliament put that act on the statute books for the benefit of the farmers so that they might avail themselves of it; and if the bankers, the people who administer public credit, are doing something they should not do—

Mr. ILSLEY: Is the hon. gentleman quite right about the act to which he refers?

Mr. TUCKER: The Farmers' Creditors Arrangement Act.

Mr. ILSLEY: The hon. gentleman said the Prairie Farm Assistance Act.

Mr. TUCKER: I meant the Farmers' Creditors Arrangement Act. The bankers are administering a public utility, and they should be responsible to some public authority for the manner in which that administration is carried on. If there are such cases or others there should be someone to whom an aggrieved person could appeal and who could look into the matter, and his report, together with the protest, should be submitted to the government and parliament and be subject to investigation, if deemed proper, by the banking and commerce committee or some other public authority. The banks should be made to feel that they have not absolute authority as to persons to whom they may give credit and those from whom they may withhold it, without perhaps being answerable to parliament for any arbitrary act.

The railways cannot close agencies without getting the permission of the board of transport commissioners, and I submit that the banks should not be permitted to curtail the services which they give the people without the permission of some public authority. In all these matters we should bring the banks under more direct control. One of my hon. friends of the Conservative party just now suggested in a very—well, I would not say he sneered, but he said "Wouldn't that be wonderful?" I submit that the banks must be made to realize that they are administering a public utility and are answerable to parliament for how they do it.

Another feature of this government's programme for which I should like to commend them is the foreign exchange control board.

Mr. GRAYDON: My hon. friend referred to someone in our party having said something.

Mr. TUCKER: I did not like to name him. I see him sitting here.

Mr. GRAYDON: Is it on *Hansard*?

Mr. TUCKER: I do not know whether it is on *Hansard* or not. I heard it. It does not have to be on *Hansard*. If they do not want me to refer to it, do not let them say it behind my back. I do not blame the leader

of the opposition for not wanting that to appear in *Hansard* as coming from one of his own party.

I was referring to the foreign exchange control board. This should be continued to the extent necessary to prevent in the future such things happening as have occurred in the past. We have seen instances where men have made large fortunes from developing the mining resources of the country and have then removed those fortunes from Canada. We have also seen cases where manufacturers have made large fortunes under the protection of our tariff policy, and then have taken that money to other countries, sometimes to countries where they pay lower labour rates, to set up industries in competition with the industries which they have asked to have protected in this country.

I submit to you, Mr. Speaker, that we must have some form of control so that sort of thing does not happen in the future, and wealth that is built up out of the resources of this country and by virtue of the protection enjoyed under the laws of this country should be kept here in order that it may be subject to our income taxes and our succession duty taxes.

In closing, may I say that when this bill as amended becomes law it will confer a valuable franchise on the banks. It will be giving them the right as trustees to handle a large share of the credit of this country. That trusteeship has been very carefully adhered to in so far as their obligation to their depositors is concerned; but their attitude toward the people of western Canada during the period of 1930 to 1939 makes me feel that it must be brought home to the banks that in handling that great franchise they are not absolute masters, but are answerable to this parliament and to the people of Canada. They must be made to feel that they must handle it in accordance with the best interests of this country. In order to bring that home to them I think some public authority should be established to which they must be answerable and which will then make a report in proper cases to this parliament.

As I said before, this bill is one by which we are legislating for a period of ten years. During that time our troops will return from overseas where they have been defending our country and defending our system of freedom and democracy. One of the things they say over and over again is: "We do not want to return to things as they were from 1930 to 1939"—to depression and unemployment. I am glad this government at this crucial time takes the attitude, as I understand it does in the speech from the throne, that regardless of what happens with respect to matters beyond our control in the way of foreign trade and so on, it will see to it that conditions are not permitted to get in the state they were in from 1930 to 1939—that the individual is ensured real security. I think the government's programme, including such things as a floor on farm prices, family allowances, reduction of interest rates and the other controls that it is setting up, including the farm improvement loan bill and other companion measures that the government has put into effect or will put into effect this session, will introduce such a measure of reform and social security that Canada will, after this war, enter a period of the greatest happiness and prosperity that this country has ever seen.

Mr. H. R. JACKMAN (Rosedale): Bill No. 91 does not call for any lengthy remarks on my part at the present time. On the whole I believe the amendments should be salutary and lead to greater satisfaction of the credit needs of our community. We look forward to the introduction of the farm improvement loan bill to see what further provisions are provided therein, and it is our fervent desire that every possible credit facility be afforded to the farming and fishing industries of this country.

May I say here, however, Mr. Speaker, that the spirit in which those provisions are administered means almost as much as does the actual wording of the provisions themselves. We shall look forward to the particular set-up of the farm improvement loan bill to see exactly what the provisions are before we are able to pass judgment. As it is, the amendments carried out in Bill No. 91, substituting the new Bank Act for the old, do make more forms of agricultural property available for the extension of credit by the banks than heretofore, and to that extent the new bill is an improvement. While it may not be entirely within the province of this parliament, nevertheless I believe that the chartered banks should so further the intention of the provisions which are passed by this house that they will endeavour to make their branch managers not merely judges of the credit worthiness of those who apply for loans, but also salesmen of credit, so that where there is a good business man or a good farmer who can use additional credit usefully and economically the bank manager will not necessarily sit back in his office and wait until he is approached, but will be encouraged and trained by the banks themselves to go out and put the credit to effective use. In that way our whole business and agricultural activity will be greatly stimulated.

I am told by those who have had longer experience than I that there was a time in the development of this country when the bank managers actively sought to get their credits out; but that has to a large extent ceased during the last two or three decades.

I should also like to point out a word of caution to the Minister of Finance (Mr. Ilsley) in regard to the provisions affecting the small personal loans. If those personal loans are to be extended as far as granting credit by the chartered banks is concerned, it might be that the better ones, the so-called cream of the small loans, will flow to the chartered banks, leaving only the more risky, more troublesome and more costly ones to the ordinary finance companies; with the result that the personal finance companies, which are to-day functioning, might find they will have to refuse the service to necessitous borrowers, a service which they have provided for in emergencies; or the personal finance companies will have to ask to have the rates which they charge at the present time raised. Those rates, as we all know, are regarded by many as extremely high, although they may not result in any undue profits to the companies themselves.

Then again, the minister has said that he would welcome recommendations by the committee on banking and commerce on several specific matters. May I say, however, that this is not the first time he has suggested that the banking and commerce committee make a recommendation to this house and to himself. The last time the recommendations were made—which I may say did carry by a narrow majority—they were simply flouted when they came to the house, and the minister went on his own way and paid little or no heed to the resolution passed by the banking and commerce committee. It is no wonder that in such circumstances the minister deservedly finds attached to himself such words as "stubborn and narrow"; and there is a feeling on the part of a large body of the house that it is not the will of the people's representatives that is carried out in many of the financial measures but rather the will of certain people who are in the confidence of and who advise the minister.

Mr. GIBSON: Who says so?

Mr. JACKMAN: I do not wish to say more about the various sections. Did the Minister of National Revenue wish to ask a question?

Mr. GIBSON: I said: "Who says so?"

Mr. JACKMAN: I will answer that at another time.

Until the banking and commerce committee hears the evidence of the various witnesses who will come before it I do not wish to say anything further about the various sections of the bill, but will confine myself largely to certain statements made by the hon. members of the Cooperative Commonwealth Federation. I should like to refer particularly to the remarks made by the hon. member for Weyburn (Mr. Douglas). He stated that the government proclaimed the complete absence of political influence in the running of the proposed industrial development bank, while at the same time the government claimed that there would be political influence in the running of any nationalized banking system. As the hon. member for Weyburn pointed out, the government cannot have it both ways. They cannot say that there are no political influences in the running of the industrial development bank and at the same time say that under a nationalized banking system there would be political influences obtaining. I would point out, however, that the industrial development bank is not likely to have a great number of customers. It may have a thousand industrial customers, whereas the commercial banks have probably well over a million customers who are also voters. Nevertheless the principle is the same. Once the government gets into the banking business it gets into the business of securing votes willy-nilly and to some extent, perhaps a large extent under certain circumstances, it will find that political pressure is brought to bear, and that banking cannot be carried on free of political influence as long as it is under government administration. With the central bank, the Bank of Canada, the situation is vastly different, because that bank does not deal with the public directly and, therefore, is not concerned with and cannot influence votes one way or the other. I should like to point out that under Sir Adam Beck the Ontario hydro electric system for many years was entirely free of political influence, but after the last Liberal regime in Ontario came into power there came a time when the Ontario hydro electric system became the football of politics.

Mr. NOSEWORTHY: It was that, long before then. That is what I said the other night.

Mr. JACKMAN: If the hon. member for York South (Mr. Noseworthy) wishes to justify his remarks he is entitled to do so at some other time, but for the present I challenge his statement.

Therefore the industrial development bank, like the Ontario hydro electric commission, may very well find itself perfectly safe and free from politics for a number of years; yet almost inevitably there comes a time when the

most vital force in our community, namely the political force and the attainment of power, overrides all other considerations. What was the situation in Ontario? For a very short time during the depression we had a temporary excess of power, and the contracts we had with Quebec power companies were cancelled by the then premier and the then attorney general, now the hon. member for Trinity (Mr. Roebuck). If these contracts had not been made originally; if the power companies had not been developed to the extent they were, our present war effort would have been greatly handicapped. So that it is not only likely but inevitable in connection with some of these public institutions which should be maintained under a private system—true, under government regulation where necessary—that when they come under government administration temporary political considerations will outweigh economic planning which is designed only to serve the people and not to wrest power for some political purpose.

So much for political influences. One fears for the life of this industrial development bank because it is so entirely under the control of the government. But just as the government cannot argue both ways, so the C.C.F. cannot argue that the financial system of this country has battened on its ill-gotten gains—which I do not admit for one moment—and at the same time argue, like the devil citing scripture for his own purposes, that the financial system is no good because in a time of stress the government had to give it assistance. The leader of the C.C.F. made much of the order in council which was passed during the depths of the depression and which established conventional values for certain securities held by some of our large institutions. The purpose of this order in council was, of course, that public confidence should not be lost; and these conventional values which were established, at a level somewhat higher than market values, were more representative of the inherent value of the securities themselves than were the market prices, which were merely the prices in the open market at a particular time. It is very much the same as wheat selling at forty cents, when every hon. member knows that is by no means a fair price for that commodity and does not represent the inherent value of it. As was pointed out in the house the other day, the government also had to come to the assistance of the wheat pools because the initial payment was larger than the price to which wheat subsequently fell. I was amused to hear the statement made that the bankers had wrongly advised the heads of the cooperative pools by telling them to make a larger initial payment than they should have made, and that when the market fell below the amount of the initial payments the bankers drove a hard bargain. I can scarcely imagine that any member of the C.C.F. party would have advised a smaller initial payment than that which was made and which was recommended by the chartered banks, according to what I have heard.

The C.C.F. cannot at one and the same time say that the financial system is an octopus which feeds gluttonously, and then say it is so weak that it needs a blood transfusion. The only purpose of the order in council establishing conventional values was to endeavour to reestablish confidence on the part of the people; and the fact that the order in council was needed merely goes to show that finance suffered during the depression just as much as did business or labour. It has been pointed out also that the people who make up the financial community are drawn from all classes in this country, the same as with most other occupations, and that they are motivated by the same reasons. Indeed I have found little difference in human nature wherever I have come in contact with it. Everywhere there are good and bad; everyone must be responsible to some higher authority, just as parliament must be responsible to the people. I believe I heard the leader of the C.C.F. party quote Lord Acton in these words:

All power corrupts, and absolute power corrupts absolutely.

The banking system is not only responsible to parliament; it is responsible also to relentless and inexorable economic laws.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. JACKMAN: Mr. Speaker, before the dinner recess I had made reference to the order in council which was passed by the Conservative government in 1934 and which established conventional values for securities. Since then my attention has been directed to certain matters concerning that order in council. I was familiar with the effect of the conventional values on the securities held in the portfolios of the insurance companies, but not with the effect on securities held in bank portfolios.

I find that contrary to the inference, if not the direct allegation, of the leader of the C.C.F., that order in council had little or nothing to do with the financial crash of 1929 and 1930. If I recall correctly, his inference

was that the order in council had to be passed to save the banks because of the failure of some brokerage house in this country.

The actual facts are that England went off the gold standard and the order in council was passed establishing certain values for the securities held by the banks, which values applied only to government and municipal securities and not to such securities as might be expected to be held in speculative accounts. Furthermore, the conventional values applied only from October 27, 1931, until the following March.

We see that the assistance given at that time by the government to the banking system had no reference at all to speculative excesses, but on the other hand what happened was due entirely to the terrific impact of Great Britain going off the gold standard with its resultant effect on investment values which caused a shattering of investment confidence. I am in the financial business and I well recall the night England went off the gold standard. I was telephoned at two o'clock in the morning by a gentleman who was once a member of the cabinet of this country. Those of us who realized that the financial world was built around sterling credit and the gold standard felt that anything might happen because of the terrific impact this would have upon public confidence. It was solely to restore confidence in some measure that the order in council was passed.

To get back to where I left off in the main body of my remarks. The hon. member for Rosetown-Biggar (Mr. Coldwell) stated that bill No. 91 omits to provide for economic expansion and full employment. Undoubtedly it does. According to my thinking, it was never the intention that the Bank Act should be the sole means of regulating our economy and maintaining our national income. There are many other means. Anyone who will consult the Winnipeg charter of the Progressive Conservative party will realize that definite measures are proposed, particularly with relation to agriculture and labour, having to do with the maintaining of full employment and the maintaining of our national income.

The C.C.F. leader suggests that full employment is impossible under the present Bank Act, or even under the proposed amendments now before the house. How then does he explain the present prosperity and the full employment which now prevails under present banking practice? It would seem to me that his argument must fail when one considers the situation which now obtains under the present law. Certainly banking is not the be-all and end-all of our economic regulators. While all of us like to give as much service as possible to the slogan and to endeavour to make "financially possible that which is physically possible," nevertheless we must not confuse that statement, as apparently some hon. members to my left have, with the following statement, namely, that that which is financially possible is also physically possible. The two are entirely different.

Then the members of the C.C.F. have charged the present banking system with being a monopoly. We hear that in practically every speech and we read it in every circular they put out. They say that while it is true that the banks compete for loans, they charge the same rate of interest, pay the same rates on deposits and have an association like any other industry or body of workers. I should like to ask the leader of the C.C.F. if the farmers and business men do not compete when wheat or any other article they may produce is sold at an open or market price? Competition may be on a price basis or it may be on the basis of service. All through the development of industry we have seen the reduction of costs through efficiency and the lowering of the price of the finished article. Nothing could illustrate this better than our automobile industry. Does the leader of the C.C.F. want to have price discrimination between banks and between industries? There is no greater weapon of unfairness than price discrimination when improperly used, the quoting of one price to one man and another price to another man.

The C.C.F. charge that the banks prevent competition by the closing down of branches. I think it is the opinion of most hon. members that the banks should close branches where there is unnecessary duplication over and above the needs of the community. This is exactly what the C.C.F. argue for most strenuously when they say, "Why should there be two, three or four bread and milk wagons covering the same route?" Under their system they are going to consolidate; everything becomes a monopoly; the people are to be served by the one instrument.

Undoubtedly unnecessary duplication means unnecessary waste, but the C.C.F. cannot favour competition and at the same time shout the virtues of state monopoly. State monopoly would do away with all duplication and competitive practices; yet competition has within it the seeds of efficiency as well as apparent wastefulness. If the C.C.F. theory were carried to its logical conclusion, we would find ourselves eating in community kitchens and sleeping in community barracks. Undoubtedly that would be more efficient and

less costly and would effect a saving of man-power, but there are things to be prized more highly than a mere material civilization.

The two key speeches of the C.C.F. which endorse the remarks of the minister in regard to increasing representation on bank boards by small business men and agriculture and labour should not give rise to too great exception. No great exception need be taken to that. However, one wonders whether the interests of small business men, farmers or workers are in the least prejudiced by the present set-up, because the men who are now on the boards of the various banks are those who for the most part, probably ninety per cent, started in business in a small way and, because they followed successful practices, grew large and became members of the boards of the various banks. It would seem to me that these men who were able to apply successfully the principles of business in their own field are in a position ably to administer larger affairs. Yet at the same time I think it would be a very good thing if our chartered banks invited representatives of labour, of agriculture, and if you like, of small business too, to sit on their various boards, for nothing tempers power quite so much as responsibility and a clear understanding of the problems of the whole community.

In an endeavour to support his charge of banking monopoly the leader of the C.C.F. says that no new chartered bank is likely to come into existence. But the Bank Act as it now stands, and the amendment also, provide specific means whereby a new bank may be brought into existence. But why, if the ordinary commercial needs of the community are well served by existing institutions under existing law, should there be a further waste of man-power by setting up a new competing organization with branches from one end of the country to the other? If there is room for another bank because it can provide a better service or the same service at less cost, then obviously it will be possible and worth while under our open competitive system to obtain a charter and to set up a new chartered bank. With the imposing array of other directorates held by bank directors, which was so amply demonstrated in previous speeches, it must be obvious that one of the chief sources of revenue of the banks is the interest and service charges paid by the companies represented by the very directors who sit on the boards of the banks. If one were to examine the extent of the directors' shareholdings in the banks as compared with their financial interest in their own companies, which are customers of the banks, one would soon find whether the directors' shirts or their coats were closer to their backs. If these men thought for one moment that their banking needs could be provided more cheaply by setting up a new and competing institution it would be done without another thought. Under a socialized banking system business men would have no alternative. They would have to deal with the state bank irrespective of the charges made or the srevices rendered.

The hon. member for Rosetown-Biggar endeavoured to make a point of the fact that the banks depend now to a large extent on the government to keep them going. Be that as it may, it is little wonder that under a war economy, with the government spending well over half of the nation's income, much of the banks' business is concerned with war production for national account. How could it be otherwise? Production of new civilian goods has been rightly stifled in order that as much as possible may be produced for war. If there is any complaint in this regard it is that civilian consuming standards have been allowed to increase as they have, when further restrictions might shorten the war and save the lives of those who are preserving liberty for us.

The C.C.F. continually raise the point that bank dividends are relatively high in relation to subscribed capital, and they refuse to apply the dividends as a percentage of the paid-up capital plus reserves and ploughed-back earnings. If in the course of the life of a bank its shareholders wish to withdraw in the form of dividends only part of what their investment has earned, and to plough back the remainder in order to strengthen the security behind the depositors as well as to provide reserves against emergency, surely they are as much entitled to an income on those ploughed-back earnings and reserves as they are to an income on the par value of their original subscription. Indeed, if one traces the history of bank subscriptions, one will find that in a great many cases not only was $100 paid for a share of $100 par value but that a premium of twenty-five per cent or more was paid and the shareholder only got back the $100 certificate, the $25 additional that he paid going to constitute a reserve to provide further security for the depositors and for the whole banking system.

There is no guarantee under any system that the money put into a business will be maintained intact. Every new venture faces great economic uncertainties and those which are successful must be used to offset those where—

> The best-laid schemes o' mice an' men
> Gang aft a-gley.

One cannot help being a little amused at the leader of the C.C.F. who says:

> We never consider ourselves on the defensive; we are on the offensive, and when an attack of that sort is made, we shall act upon that offensive so far as our opponents are concerned.

That must be a very comfortable policy of self-deception. Apparently the hon. member feels that there is something in the slogan "on the offensive", even though everyone knows that in the present instance he is clearly and admittedly defending his political theories against an attack by the Minister of Finance, for I hold in my hand a reprint of a recent speech of my hon. friend given in this house entitled, "We are on the offensive." May I express the hope, however, that his party is not still indulging in the mercenary practice followed when his speech on the Aluminum company was reprinted and sold at a profit of not less than 150 per cent.

It is true that the bank shareholder, through his directors, has the right to declare all earnings in the form of dividends, but if he chooses to plough back part of the earnings as a further safeguard for the depositors or as a reserve out of which dividends may be paid during difficult times, that is surely his business.

May I remark here that the banks sometimes find a pressing need for reserves, and in 1933, in order to rebuild their reserves, they wrote off from their published statements no less than $29,500,000 in one year to properly adjust their published reserves. So that in the banking business there is risk to be borne as there is in practically every industrial and commercial business, and it is necessary to have some good years to make up for some of the lean years, to say nothing of those years in which circumstances are well-nigh calamitous.

The contention of the leader of the C.C.F. was that this method of augmenting the capital of the banks by the ploughing back of earnings tended to increase the capital of the banks, and he was against that because he felt that it led to concentration of the ownership of bank shares. But his argument falls entirely to the ground when everyone knows that bank shares are purchasable on any of the leading stock exchanges of this country by anyone who desires so to invest his or her money and become the owner of a bank's stock. The banks are required to file a list of shareholders with the government, and anyone who wishes to see how broadly and in what unconcentrated form the shares are held may do so. Ploughed-back profits and original capital set up as a reserve are properly combined with the par value of a stock when percentage earnings are being calculated. This procedure is not to be compared with the so-called unearned increment which attaches to the increased value of urban real estate or homestead farms, classes of property which are held by a very large part of our population.

I might make a suggestion, however, to the Minister of Finance with regard to the popularization of bank shares and the spreading of their ownership more generally. At the present time bank shares have a par value of $100 and sell for anywhere from $125 to $250. If an amendment to the Bank Act required that these shares, in place of having a par value of $100, were to have a par value of $25 or even $10 they would become much more popular mediums of investment than they are at the present time, and I believe one would find that their distribution would become even wider than it is to-day. There are fashions in investments as there are in everything else, including governments. There was a time when a $100 par value share was looked upon as a standard of investment. That day has long since gone by, and no one but a very well-to-do person wants to buy shares costing $100, much less $200 each; they want to buy a number of shares at a smaller price. It amounts to the same thing in the end; there is no difference; but this happens to be the fashion, and fashions are sometimes compelling. Therefore I suggest to the minister that consideration be given to causing bank shares to be split, so that they will be more available to and popular with a much larger part of our population.

It was not unnatural that the C.C.F. should seize upon the ill-advised and capable-of-being-misinterpreted statement of the Minister of Finance when he said that Canada had experienced between 1888 and 1924 1·86 years of prosperity for every year of depression, as against a slightly less favourable record for the United States. Since he no doubt has the document available from which the figures were taken, together with the supporting information, I hope he will give some further explanation of what was meant by "prosperity" and what was meant by "depression", because I can see that statement being published from one end of the country to the other. We all know that during the period under discussion, 1888 to 1924, there was a tremendous growth in population in the United States and also a substantial increase in material prosperity, and the same conditions applied to Canada. So that I feel that the terms which he used, "depression" and "prosperity", are somewhat technical terms, which mean something to an economist but are by no means the same thing as understood in the popular mind.

It is not to be thought that the Progressive-Conservative party holds any brief for a

static system of finance. The Bank of Canada was first established under a Conservative government, and this was a step forward in placing the control of currency and credit under a government-sponsored institution. To learn nothing from experience is to shut one's eyes to all progress. We believe in reform but not in revolution. The Progressive-Conservative party retains an open mind on all questions of national interest, and has only one objective, the common good of all the people. Unlike some other parties, the Progressive-Conservative party has a disposition to preserve what is good in the old as well as a capacity to improve.

Mr. J. J. KINLEY (Queens-Lunenburg): Mr. Speaker, once in every ten years parliament is called upon to consider the law relating to banking and commerce as it refers to the chartered banks of Canada, and with the passage of time we approach another occasion when we must give heed to this duty. Accordingly, the Minister of Finance (Mr. Ilsley) has introduced a bill which is now receiving the consideration of hon. members. Ordinarily we who support the principle of the bill would allow it to go to committee and there discuss its provisions and see to it that the rights of the public are properly protected. But the bill has been seriously challenged by an amendment which would disturb and almost destroy the whole economic set-up of the country, and it therefore becomes my duty as a member of this house to give some reasons why I support the principle of the bill and refer to some of the things which have been said in this debate.

It seems to me that, whatever our opinions about finance, this is not an opportune time to occupy the time of parliament or disturb the people with any serious change in the banking system. Canada, with the united nations, is engaged in a war overseas which is perhaps at its gravest period. We at home should be united in our domestic affairs and postpone changes until such time as we are secure.

I do not believe that any government or any parliament should endeavour to change the Bank Act to the extent of socializing the banking system without a mandate from the people, and I am quite sure that neither the Liberal party, the Progressive Conservative party nor any other party has a popular mandate to make so drastic a change.

The duty which we are now asked to discharge is a recurring one, and to my mind this fact must have a salutary effect on the bankers and must bring confidence to the people, because it shows that always in the minds of those who make our laws finance is regarded as a progressive science, and that changes must come from time to time. Those who came before us made provision for that in seeing to it that a review of the banking system should occur every ten years.

We have heard a great deal of discussion and some criticism of the banks of Canada. Some people think they earn too much money, that they are too prosperous and too efficient. It seems to me that that is one of the penalties of being successful. Power and responsibility come with success, and our great concern should be how the banks use this power and how we as members may see to it that they carry on in a way which is beneficial to the country.

It is generally recognized, I believe, that in the world of finance Canada has a high place and is eminently efficient. We have the admiration of the people of the United States and of Great Britain as well for the manner in which we have carried on, for we have done all those things that were necessary for an all-out war effort, which has been financed so successfully by the people of Canada. In that effort the banks have played a large part, and if there is one thing in which we excel in Canada, in comparison with the great free nations of the world, such as the United States and Britain, it is in our banking system. The Canadian people are proud of the banking system of this country. They look to the United States and remember the things that happened to the banking system there in the not too distant past, and they recall that our banks here carried on, and continued successfully. The Canadian people have paid their obligations, so that at this moment Canada has borrowed no money from anyone outside the country in order to carry on our war effort. No lease-lend comes to Canada. On the other hand, Canada, with a comparatively small population, gives lease-lend to many rich and populous countries.

The banks are closely linked up with the capitalistic system. I am in favour of the capitalistic system. I do not say it is perfect, but it is the best thing that has yet been devised for carrying on in an orderly way the business and the social advancement of the dominion. It is the system that is in effect in the countries of our great allies, Great Britain and the United States; it is the system in countries where there is the highest standard of living in the world, and where the greatest freedom and happiness are to be found.

We are living in a competitive world, and when we are inclined to hold the view that we are not in such a favourable position by comparison with other countries, we have only

to stop and think to realize that we are infinitely better off than most people in the world, and for that we should be thankful and give credit to the institutions that helped to bring about that condition.

The virtue of the capitalistic system is that it works. We were told some years ago, when we had a depression, that the capitalistic system would not work, that it was dying. Well, we have gone through nearly five years of war and have made an effort that has surprised our neighbour to the south. It has enlightened the people of our own country, for many of us never thought we could make such an effort. It shows that the capitalist system can work and is now working, and working better than it has ever done. The system has never worked better than it has worked during this war, and it has done so because, with taxation, we have had a redistribution of wealth, whereby the people generally have received much of the money that has been in circulation, a greater proportion than ever before. That has had a great deal to do with the smooth working of the banking system of the country.

Money is not wealth; it is a demand on wealth, and what concerns us is not so much the money, but how much the money will buy. For that reason it must be carefully controlled and its value carefully guarded. In the highest sense, money is the economic blood stream of the nation. It is the force which keeps business alive, the force which creates the transportation of goods and services from one person and nation to another. It is a circulating force that makes for a happy, prosperous and industrious people.

We are told that the love of money is the root of all evil, but that does not mean that money is bad. It means that we have that human characteristic called greed, and it is not money that will ruin a nation but greed, and greed is something which must be and is being controlled and in the future, we hope, will more or less disappear. We do not hear very much about scandals in this war. We do not hear much about people wanting to get rich. They are working for the nation, and the reason is that it is not possible to get rich. We also know the government has so arranged that the money is taken out of circulation for war services so that no one can get rich even if he wanted to do so. Therefore the incentive for greed is gone and, with that incentive gone, so are the scandals that might come in war-time spending.

There is an old proverb, "Heed what men say, but watch what they do." I was interested in the speech of the hon. member for York-Sunbury (Mr. Hanson). He said that the Bank Act was a serious and important piece of legislation and that it should be treated in that way, but I think he went out of his way to make a personal attack on the Minister of Finance, who has been working hard and successfully in the interests of the people. I cannot understand why so eminent a member of this house, in a matter of this kind, should make a political attack on the man who is responsible for bringing this bill into the house. He even went into the minister's own constituency and he talked about the closing of banks in Canada. He said:

> I think this position could be illustrated in almost every constituency in Canada from east to west. Right in the minister's own constituency there was closed not so long ago a branch bank in the little town of Middleton, which has had a bank for some considerable time.

What would you take from these remarks? That there was no bank in Middleton, Nova Scotia. Middleton is in the minister's constituency, not very far from my home, and I know that town very well. It is a small town in a farming community, a fine town. I thought it was strange that there was no bank there, and I went to my room and looked up the telephone directory. I saw there the Royal Bank of Canada, Middleton; the Canadian Bank of Commerce, Middleton; then I looked further and I saw that in Kingston, a few miles along, there is another bank, and a few miles further on, in Bridgetown, Nova Scotia, the Royal Bank of Canada.

What was the reason the hon. member wanted to have this house think there was no bank in Middleton, Nova Scotia, right under the eyes of the Minister of Finance? This matter of closing agencies is a business matter. The world is getting smaller. There are better roads, with better transportation, and quicker movements of people from one point to another make it unnecessary to have so many banks close together. I am sure the bank that remains in Middleton will be able to look after the interest of the people there and save overhead for the banks, and the people will be well serviced. I cannot see why this should be made a point of attack on the minister in this house by an hon. gentleman who should know better. However, he will likely vote for the bill. The proverb said: "Heed what men say, but watch what they do. Most of the attack in this debate has been academic and by people who have had very little experience.

However, I think of the party to the left, the Social Credit party, and I realize that they did have some experience. We watched what they did. Not long before they came into power in Alberta they promised the people a bonus of $25 a month, saying that

they would pay that amount to every citizen in the province. I must say it is to their credit that, after they were elected to power, they did not do that. Then they did something else: they repudiated their debts. They owed bonds of that province to the people of Canada, and they arbitrarily reduced the rate of interest.

An hon. MEMBER: That is not right.

Mr. KINLEY: If it is not true, I rest on the judgment of the house. Then, after complaining about the banks they came here and a few years ago introduced a bank bill. They are not content to abide by the Bank Act, but wanted special privileges. They wanted to be able to issue currency which was being depleted in the other banks. That bill was not accepted, because they are not willing to come under the general laws of Canada respecting banks and banking. This year they have brought in another bill—a much better one, I must confess. They preach the gospel of social credit. In other words, they would water the money. That is not something peculiar to them alone. Go to St. James street, Montreal, the home of sound business, and you will find corporations which water their stock. There you will find company stock watered. There is no difference between people who water money and other people who would water stock. Both of them want something for nothing, and want somebody else to give it to them.

What would we think if to-morrow morning a farmer, who had a market in town for 100 quarts of milk, found upon milking his cows that he could get from them only fifty quarts, and in that situation said, "Oh, I will put it under the pump, pump in some water, and then I shall have 100 quarts." Yes, he will have 100 quarts but, not only will he be cheating his customers, but, if found out, will be branded a criminal. There the principle is the same. Dilution never made strength. It will make quantity, but not strength. The same is true of money.

While we are talking about the provinces, let me say this: In my view any drastic change in the Bank Act such as suggested by the amendment would affect the property and civil rights of the provinces. When banking and commerce were placed under the control of the federal government, I do not think it was ever intended that its jurisdiction over banking and commerce should affect property and civil rights in Canada. Before parliament enacts any such legislation, of a type which most certainly would affect property and civil rights of the people in every province, we should consult the provincial legislatures.

[Mr. Kinley.]

Then, this thought occurs to me: when we hear talk about the monopoly of banking we should remember that there is no banking monopoly. Any province can start a bank of its own—and I am not so sure it would not be good business for a province to go into the banking business, with the federal government controlling the Bank of Canada and the issue of currency and credit.

Now we come to the Cooperative Commonwealth Federation party, the party which would nationalize the banks of Canada, and thereby make of them a monopoly. In my view a government monopoly is just as dangerous as an industrial monopoly.

An hon. MEMBER: Far more dangerous.

Mr. KINLEY: Speaking the other day, the hon. member for Weyburn (Mr. Douglas) said that the minister could not have his cake and eat it too. The hon. member said that the minister had adopted socialism in banking because of his sponsoring of a bill before the house to create an industrial development bank. Well, Mr. Speaker, competition is the life of trade, and we believe in free enterprise. Even the Right Hon. Winston Churchill, speaking over the radio some time ago, said that in the future it may be that we would have two kinds of business side by side, a certain portion of public business and a certain portion of private business. He thought it only natural that we would have both kinds. But when the minister creates an industrial development bank to take up the lag in industry, the uneconomic part of the banking system which needs attention, and may be termed economic research or experiment, he is told that he is tainted with the virus of the C.C.F. I do not think that can be true—although I was always taught that wherever a serious minded body of men got together there was a degree of truth. But there is error, also. I would not say for one minute that everything said by the C.C.F. is untrue, or that everything they say is in error. But truth is mixed with error, and there is so much error that the truth forms only a minor part of their argument.

The hon. member for Weyburn also said that the Bank of Canada did not control the issue of currency and credit. He said that there was no way whereby they could get money into the hands of the people. I say that the Bank of Canada can do this in two or three ways. They can buy or sell securities. If they sell securities they will reduce the amount of money in circulation, and if they buy securities they will put more of it

into circulation. Then, they can fix the rediscount rate—and that rate was lowered as late as February of this year. "Canada at War" of April 1944 contains this:

> Bank of Canada rediscount rate charged on advances to chartered or savings banks reduced from two and a half to one and a half per cent, effective February 8.

That is what is called an easy money policy.

But, it is urged, the present system does not get money into the hands of the people. It does. It has been found to work satisfactorily. Furthermore, if it comes to an emergency, the government can set up a public works programme. We may have to do that in the future, to develop and improve the country, and to give work. In that way money can be put into the hands of the people.

We hear talk about the banks being a monopoly. The fact is that there are a number of banks in Canada. And do not forget that there is the clearing-house. Each morning the banks of Canada must face the clearing-house, and show that their positions are secure. If we had a government-controlled system of banking—which would be a monopoly—there would be no clearing-house, and the banks could do almost anything they liked. Let us suppose that I, as a business man, need money. I go to the government bank, and they refuse to let me have any. There is no other place to which I can go. Now I can go from one bank to the other; the banks are competitive, so that I have that freedom, which all citizens enjoy. Who in this house, be he Liberal, Conservative or anything else, would want a bank run by a party he did not support? I would not want the Tories running the banks of this country, and I am sure the Tories would not want the Grits to run them. Our banks should be operated by men not particularly interested in political affairs but interested in business matters, in giving the best possible service and facing the competition which we think is the life of trade.

We believe in free industry; our friends believe in socialism, in state control. I do not object to government industry, but as practised it is not free industry. Every time one of these new ventures is started they want to get free from payment of taxes; every time something supposed to be of the new order is commenced you find them coming to the government asking for privileges; they do not want to met their obligations to this country in the way of taxes. Look at the wheat pools in the west, about which we have been speaking for years. They have so arranged their structure that they do not have to pay income tax. Only the other day the government of Quebec took over a great public utility. I am not discussing the merits or demerits of that action, but as a result the exchequer of Canada will lose millions of dollars of taxes in this time of war. That is the difference between private industry and so-called public industry. We believe in free industry, a free road and no favours, with everyone meeting his obligations and paying his share of the taxes. Then, when that is done, let the best man win.

The other night we heard a speech by a new member down in the corner who said he was not so much interested in where the money came from as he was interested in jobs and wages, and I think that was a good contribution to the debate. I am an employer of labour; I have been associated with labour all my life, and for the life of me I cannot see what labour has in common with C.C.F. socialism. Labour is a part of the capitalistic set-up; labour gets more as industry achieves greater success. Only the other day in the magazine *Time* I read a warning given by the president of the Boston chamber of commerce, who said that if employers and labour would cooperate and get along together they would be free, but that if they fought one another the state would control them and they would be slaves of the state. That is my conception of capital and labour; we should endeavour to get along together, each doing his part and each getting his share according to his contribution to the success of the enterprise. We have heard so much about the schoolteachers, that they are educated people and are not properly paid. I will admit that schoolteachers are not paid sufficiently in this country; but they work for the public; they do not work for private industry. This is an example of what we would get if the whole thing were mixed up under C.C.F. socialistic control. The community pays the schoolteacher, and he is the lowest paid man of education we have. So that while hon. gentlemen in the corner talk about private industry, here is an indictment against community effort.

The other evening my eloquent and good friend the hon. member for Vancouver-Burrard (Mr. McGeer) took part in this debate and said that the only fundamental change in this Bank Act was the raising of the rate of interest on loans to the poor men from seven per cent to 9¾ per cent. My hon. friend, who is an eminent lawyer, knew that statement was not fair. He knew that under the present Bank Act the maximum rate of interest is seven per cent, and that under the proposed amendment it will be six per cent. Let me say a word right here to those who think the banks are prosperous and that there should be more control over them. We could bring about all the changes they desire by changing just

one word in the act; that is, by changing the "six" to a lower figure. That would change the whole aspect of the situation. My hon. friend knew that the banking and commerce committee had before it at a previous session a bill dealing with small loan companies. After discussing that matter for two years, we came to the conclusion that these companies ought to be allowed an interest rate of two per cent a month in order to permit them to carry on business, and that was made their maximum rate. But we said we would do something to try to meet this situation when the Bank Act came up for revision, and as a result the minister has placed in the bill a provision under which the discount rate on short-term loans is five per cent, which would figure out at 9¾ per cent for that kind of business, which formerly cost the people of this country as much as two per cent a month. And let me say that as far as the cooperatives are concerned, their interest rate is much higher than 9¾ per cent. Nowhere in this country can you do this kind of business at this rate except with the banks; and while I question the advisability of tying the banks up with this dangerous kind of propaganda business, I say that provision was inserted as a service to the needy people of this country, though it is not always the poor people who borrow and repay in instalments.

Then the hon. member for Parry Sound (Mr. Slaght), also an eminent member of this house, had something to say about this bill. He wanted debt-free money and said that the right to issue currency should be taken away from the chartered banks. In the early days of this country, in the Yukon and other places of that kind, the right to issue bank currency was a great help in facilitating business. But we are doing, in a progressive manner, just what the hon. member said should be done; so why make that an issue in this debate? Then he said that we should have inflation. Let me say that inflation never succeeded anywhere it was tried. It was tried in Mexico some years ago, and the situation became so bad that the only money people would take was American cheques. Those doing business had American cheques, which were used as currency, passing from one person to another. That inflation almost ruined the business of that country.

Mr. HANSELL: Who wanted inflation?

Mr. KINLEY: The hon. member for Parry Sound.

Mr. HANSELL: He did not say that.

Mr. KINLEY: Let me tell the hon. member that he said that if the minister went down to the bank with a million dollar bond—he may have mentioned a greater amount—at three per cent, the banker would say to him, "I will give you a million dollars, but you must pay me three per cent for a period of twenty years." The hon. member knows that the Minister of Finance would not do anything of the kind. He would go to the bank with a treasury bill and he would get the money for three-eighths of one per cent. That is less than the cost of doing business, because we are told that the cost of operating private banks is about three per cent. Also the minister might offer a short-term bond which bears interest at one and one-half per cent. It seems to me that that is what he would do because it is the sensible thing to do.

Mr. HANSELL: What has that to do with inflation?

Mr. KINLEY: If my hon. friend will listen perhaps he will find out. I said that money in its highest sense was the financial blood stream of the nation. Suppose the Minister of Finance goes to the Bank of Canada and says, "I must have a million dollars without interest." I think the hon. member for Parry Sound said that he would pay interest to the bank, but he would be paying it to himself so that it would not cost anything. It does not cost the Bank of Canada anything to do business!

If that million dollars is put into the financial blood stream of the country, what happens? A good test would be to ask, "How much will it cost to get it back?" The only way to get it back would be to impose taxation or to issue bonds, long-term bonds at three per cent or short-term bonds at one and one-half per cent. Let me tell the house what would happen. This money would go into the economic blood stream of the country and would finally reached the chartered banks. According to our set-up in Canada they could use that as a means of increasing their credit reserve. Can hon. members say that there would be no inflation because of that? I believe that if the Minister of Finance did that he would seriously impair if not entirely destroy the functions of the Bank of Canada which has been set up to control credit and currency.

Let me give a homely illustration. A man has a store, and he also has a wife and a daughter. His wife and daughter come to the store and they say, "We want this; we want that." Then the wife may go to a neighbour and say, "My husband has a store; I went down there, took what I wanted and it did not cost me anything." It has been my experience that many splendid merchants have been forced into bankruptcy because their families

took away goods which they thought belonged to them and which they thought it did not cost anything to take from daddy's store.

Credit is another matter. Credit is a matter of confidence and integrity. It depends upon the confidence you have that somebody else will pay you when you trust him. The average storekeeper is able to give credit many times the value of the goods in his store provided that he has a quick turnover. This all depends upon whether the people pay him. If they do, and the wholesaler trusts him, he is able to carry on and grant credit. As I say, credit is something that depends upon integrity and confidence.

Let us not forget that our banking system has a great deal to do with export trade. The banks act as missionaries in foreign countries. Canadians should be proud to know that Canadian banks are doing business in some of the largest countries in the world, and they are doing it successfully. They are there to help carry on our foreign trade, a trade which will be of great importance in the future. The fact that they are there denotes that they are efficient. I think our banks have proved themselves capable of competing in the markets of the world. They are there as outposts for the future benefit of this country.

There is to be an international bank composed of five principal shareholders—the United States, Soviet Russia, Great Britain, China and Canada. Canada is the fifth partner with the other large nations of the world. These countries are going to deposit so much money in the pool, and the basis of that money will be gold. Canada will deposit gold in order to become a partner in the bank. If we have inflation and our money does not buy very much, it will cost us more to put that gold there. We must not forget that Canada is a gold-producing country and we should be loyal to the exports and products of our country. We in Canada should favour sound money and a condition that prevents inflation, because this country is a producer of a material which will be the basis of credit in the international world when this war is over.

Canada has shown herself to be a big nation financially. She has reached that position because there is confidence in her financial institutions and in the industry of her people. We hear much criticism from people with no experience, people who in an academic way talk about something that must be applied in a practical way in order to see how it works. For the benefit of this country we should travel and improve the road that has made this country great in the past.

Mr. G. K. FRASER (Peterborough West): Mr. Speaker, I should like to thank the hon. member for Springfield (Mr. Turner) for granting me this time because I understand he is to speak next. I do not intend to make a speech, but I wish to have a little information on one or two subjects. I think the hon. member for Queen's-Lunenburg (Mr. Kinley) has made a very good speech. I am a member of the banking and commerce committee and I generally listen to the hon. member when he speaks, and sometimes support him. I should like to ask the minister a question in regard to section 89, subsection 4, paragraph (b) of bill No. 91. This reads in part:

> Every sale of live stock shall be made by public auction not less than five days after publication of an advertisement.

If live stock is sold by a bank at public auction there is every likelihood that the minister's department will step in and say that the farmer owes income tax on the proceeds of the sale. Proceeds from sales of livestock are considered to be income under the income tax act. Where a farmer sells cattle at auction, will that be considered income and come out of the farmer's pocket? Or the farmer might have live stock, perhaps breeding stock, which he did not want to sell but which he puts up as collateral to tide him over a difficult time. Then something happens and he cannot meet the note. The bank takes over his stock, sells it and gets $5,000, we will say, on the sale. If they got that much it would mean that the farmer would have to pay some $2,300 in income tax. I think the minister, when he is making his statement to-night, should say something in regard to that and tell us whether that is to be regarded as income or not.

In his speech the Minister of Finance (Mr. Ilsley) had this to say, as reported at page 2559 of *Hansard:*

> In the case of the industrial development bank you only require to have ten or twelve branches all over the country and you can handle it without trouble.

What I should like to know is why the minister did not put it in the bill if we are to have ten or twelve branches of the industrial development bank. How does he know we are to have ten or twelve branches, and if he does know, just where are these branches to be? I feel, and I think I am right in this, that the minister should have told the house about these branches, where they were to be, and what was what. Mr. Towers, governor of the Bank of Canada, in answer to a question, said that the industrial development bank would likely use the managers

of the chartered banks as its agents. If that is the case I do not see why we need twelve branches across the country.

Another thing which does not bother me very much personally but which does bother people with poor eyesight is that some chartered banks' notes of different denominations are the same in colour and are hard to distinguish. Take, for instance, a five dollar bill. I believe that the Bank of Canada five dollar bill is blue in colour, but the ordinary five dollar bill of the chartered banks is green in colour and looks very much like the green one dollar bill. The minister would be wise to see that all the banks, the Bank of Canada and the chartered banks, have one colour for one denomination, and that there be not the variations there are at the present time. I know that would help people with poor eyesight very much.

The Minister of Munitions and Supply (Mr. Howe) told us that the industrial development bank would look after financing returned men who were seeking to set up their own private air lines, and that information was sent out by the wartime information board in a bulletin dated April 21, not only throughout Canada but, I understand, to South America, the United States and other allied countries. As I look at it, that information is absolutely wrong and the minister should have it corrected. It is a case where the Minister of Munitions and Supply did not know the set-up proposed for the industrial development bank. However, I believe that the minister should see to it that the industrial development bank, by a change in the set-up, can look after all these loans.

I would ask the Minister of Finance whether he believes in the kind of bank that the Cooperative Commonwealth Federation are advocating, what is really called the old-sock bank. According to the Calgary *Herald* here is a statement from a C.C.F. pamphlet being circulated in the west:

> Your money is not safe in a chartered bank during a depression. During the next capitalist depression you had better hide your money in an old sock. It's safer.

Under the heading "Vicious C.C.F. Propaganda" the Calgary *Herald* goes on to say that that statement is as false as it is vicious.

Mr. REID: Who said that?

Mr. FRASER (Peterborough West): The C.C.F., in a pamphlet being circulated in the west.

Mr. GILLIS: Likely by the bankers' association.

Mr. FRASER (Peterborough West): I have been talking to a few people who live in the riding of Lisgar in Manitoba, who were told by C.C.F. men in that part of the country that the sock was the safest place to put their money.

Mr. FULFORD: If I may interrupt the hon. member I have a photostatic copy here of exactly what the C.C.F. said. May I read it:

> During the next capitalistic depression you had better hide your money in an old sock. It's safer.

Is that not fine propaganda to put out? It is undermining the confidence of the people of Canada in their established institutions.

Mr. FRASER (Peterborough West): I do not want to be too hard on the C.C.F., because only the other day I was told by a Progressive Conservative member of the Ontario assembly that the C.C.F. opposition in the Ontario house was a model opposition.

Mr. GILLIS: Surely.

Mr. FRASER (Peterborough West): "Surely", the hon. member for Cape Breton South says. I have looked up the definition of "model" in the dictionary and I find that it means an imitation of the real thing.

Mr. J. M. TURNER (Springfield): Mr. Speaker, I wish to say a few words with respect to bill No. 91 now under discussion, which deals with banks and banking. But before I do so I should like to join with the member for Rosthern (Mr. Tucker) in saying that I think all Canada should be justly proud of the outstanding address delivered to-day by our Prime Minister (Mr. Mackenzie King) to the members of both houses of parliament in Great Britain. In my judgment it was a masterpiece that will be remembered and appreciated for many years to come.

May I congratulate our Minister of Finance (Mr. Ilsley) upon his able presentation, on the second reading, of all matters and phases to be dealt with by this bill. This government is to be congratulated upon its financing and upon the banking course that it is following. It is sticking strictly to Liberal policies in that regard by putting through banking legislation of one kind or another designed to help the farmer, the fisherman, the labourer, and the little man. This is Liberal policy in the truest sense and I know it will be welcomed by that great army of people right across Canada generally, particularly by the small man in all branches of our industrial and business life.

I believe, sir, that everybody in this house knows that I am not a financial expert, nor do

I ever hope to be one; neither am I a mechanical expert and I do not ever expect to be. Perhaps all I know about finance is that a dollar has 100 cents. Nevertheless, when I get in my car in the morning to start to drive I can immediately detect if there is something wrong, although I may not know what it is. That is the way I feel when talking on finance. There is something radically wrong with our whole financial system. The way it is set up it is like a gigantic octopus, choking the very life out of our Canadian nation through the interest system we have adopted. This certainly has to be changed.

Just as an illustration, I hold in my hand a copy of a brief prepared in February of this year by the city of Winnipeg to be presented to Hon. Stuart S. Garson, our premier. Attached to this brief is a statement of the interest paid on debentures by the city of Winnipeg from the year 1930 to 1943, a period of fourteen years, and the staggering interest total for that period is $40,319,694.20. This figure does not include the interest on the greater Winnipeg water district, which happens to run right through my constituency. The interest on this alone amounts to $800,000 a year. Now, Mr. Speaker, if I were to stand here to-day and tell the people of Winnipeg that between now and 1957 they are going to hand out again to the money-lenders an amount close to fifty million dollars for interest, they would think I was not stating the facts. Nevertheless, that did happen before and it can happen again. That city is urgently in need of slum clearance, new homes, hospitals, parks and other public projects, and if we could save only half that amount, say $20 millions or $25 millions, for those purposes, I am sure it would be welcome news not only to Mayor Coulter, but to all the citizens of Winnipeg.

The figures I have given for Winnipeg can, in proportion to population, be duplicated in almost every province, city, town and municipality in Canada. Interest has a strangle-hold on governments of all kinds and acts as a hydraulic brake against any district progressing to its fullest extent. How can they be expected to progress, carrying this terrific load?

Let us take a look at our own financial set-up in the dominion. Before the war this nation's debt as of March 31, 1939 was $3,710,610,592.87 and interest charges on same were $127,995,616.75; to-day our national debt is $9,228,252,012.03, as of March 31, 1943, the interest charges being $188,556,249.39, better than $15 millions a month, an increase of over $60 millions a year, or roughly five million dollars a month. That is a staggering figure, and who can tell to-day that the war may not last for two or three years yet and the debt will be just that much greater? We are getting in deeper all the time.

I said before that I am not a financial expert, but I know there is something positively wrong with this whole business, and I envisaged the Bank of Canada as being set up to step in and lend money to public corporations, as I have already indicated, without any interest, but with just an operating charge or a bookkeeping cost. The present system cannot go on indefinitely. We should, therefore, be prepared to try another kind, and force the big banking houses to get out of government business entirely and operate in their own field, namely that of commerce and industry. They are paying too much attention to government financing, and not enough to the commercial field, which, if they did, would stimulate business rather than retard it. I believe that the Bank of Canada is not operating to the fullest extent in the important matter of financing public debt and public corporations.

Is it not a fact, Mr. Speaker, that the largest and wealthiest corporation in Canada is the Dominion of Canada itself? It has some eleven and one-half million shareholders: it has billions of dollars of unseen wealth below the ground, in gas, oil, radium and other minerals, and it has billions of dollars of wealth above the ground. For instance, we own the Canadian National Railways, a corporation worth anywhere from one to two billions dollars, with between seventy-five and one hundred thousand employees. We own the Trans-Canada Air Lines. We own the Bank of Canada and other big public corporations, including twenty-five crown companies which have been set up since this war began. We own some five hundred to six hundred fighting and merchant vessels; in addition, we own some five or six hundred million bushels of wheat in storage in the elevator bins of this country, and in the short space of three months or better we hope to have another four or five hundred million bushels of wheat. We shall own it all, and without it I doubt if this war can be won.

According to the hon. member for Parry Sound (Mr. Slaght), the total paid-up capital of all the banks is $145 millions, an insignificant amount as compared with our own wealth and resources—those of the Dominion of Canada.

The question I should like to ask is simply this: why then should it be necessary for us to put on a bombastic flag-flying display, supported by acrobats, comedians, movie actresses and bands, in order to induce corporations and others to lend us money who obviously are less

wealthy than we are, whose resources in fact are insignificant compared with our own? That point has never been cleared up in this House of Commons to my satisfaction. I for one have never believed that a man or corporation is doing an outstanding patriotic service by investing a certain amount of money in victory bonds. What he is really doing is buying insurance and at the same time collecting a little premium. The really patriotic citizen of this country is wearing a uniform, flying over Europe or existing in foxholes in Italy, fighting the submarines on the seas, or risking his life elsewhere in the war. That is what I call real patriotism, and I have yet to be shown that I am wrong.

I find myself, therefore, in agreement with the principle put forth by the hon. member for Rosthern (Mr. Tucker), the hon. member for Parry Sound (Mr. Slaght) and the hon. member for Vancouver-Burrard (Mr. McGeer). As a matter of fact, I told the hon. member for Rosthern, when he spoke in this house away back in 1936 or 1937 on financing public debt—he will remember the incident—that I was of the same opinion in this regard at that time.

I hope the government will give special attention to this important matter of financing public debt and public institutions and projects, before it is too late.

Mr. S. H. KNOWLES (Winnipeg North Centre): I welcome the opportunity of hearing a few words from the hon. member for Springfield (Mr. Turner). I feel that to-night he has epitomized the position of the Liberal members of this house so far as this debate is concerned. He began by expressing his approval of the policies of the government, and then launched an attack in which he showed the results of those policies gave evidence that there should be drastic changes.

It has been said a number of times during this debate that the Minister of Finance (Mr. Ilsley) made a most provocative speech if it were the desire of the government to keep this debate short. I might say, on the other hand, that the chances are it is a good thing that the minister made that kind of speech, because by so doing he has produced a longer debate and one in which, I feel, fairly clear statements have been made indicating where the various groups in this house stand. It took some little time to get very much said by the members of the Progressive Conservative party, except for their first spokesman, who started off on Monday, but at least they have said enough to make it clear that they are prepared to defend to the limit the private ownership of the chartered banks of this country.

The position of the Liberal party as it has already been made evident by the hon. member for Springfield is one of definite division. We have the Minister of Finance stating the official policy of the government, which is for a continuance of the present status of the banks with the minor changes which are proposed in the amending bill now before us. The minister in his speech of last week expressed his view that his party and the country as a whole would be with him in the stand he was taking. But during the course of this debate we have had the very interesting speeches of the hon. member for Vancouver-Burrard (Mr. McGeer), the hon. member for Parry Sound (Mr. Slaght), the hon. member for Rosthern (Mr. Tucker), and now, the hon. member for Springfield. If I have overlooked any others who have been rebellious in their remarks I offer my apologies to them; but it has been made quite clear that the Liberal members of this house do not agree in their views on banking policy. There is one thing on which they seem to be agreed, namely, that they are not going to vote for our amendment, but among themselves there is a wide divergence of opinion.

If I may say so with respect to our hon. friends of the immediate left, the Social Credit group, I feel they have stated their position a little more clearly in this debate than they have done on previous occasions. They were able to express their views in a subamendment which, despite the fact that it did not go far enough, came very close to our position and was such that we were able to vote for their subamendment when that vote was taken the other evening. With the assistance of the hon. member for Parry Sound, I would say that the Social Credit group has made its position a little clearer in the course of this debate. I hope that the house will agree that we in this group likewise have made our position quite clear. We feel that such an important function in our economic life as our banking system should be under complete public ownership and public control so that it might be operated in the interests of the country and the people as a whole.

A good deal of time has been taken already in dealing with some of the arguments put froward the other day by the Minister of Finance, but I should like to make a few comments on some of his arguments, some of which have been supported since by other members of his party.

There is one argument which he made, on page 2546 of *Hansard* of May 2, which I am

sure he will not try to substantiate further when he speaks later on to-night, if he gets the opportunity. I refer to these words which he used:

> But a far more important point is the undesirability of having the credit of each of us and of every business throughout the country assessed by civil servants working under political control for a government banking monopoly, rather than by bank managers interested not in the political or other views of the borrower but solely in his ability and trustworthiness as a debtor.

As other speakers in this group have pointed out, if that were to be the case with banks owned and operated by the people of Canada through their government, then one would expect the same to be the case with respect to the Bank of Canada, with respect to the industrial development bank that is to be set up, and with respect to other matters that are under the control of the government; but this is not so. One feels like asking this question: Does the minister's argument mean that departments of government, such as the Department of National Revenue, deal with cases that come before them on the basis of political interest? Does it mean that the war contracts depreciation board make their decisions on a political basis, on applications for huge depreciation allowances, which have been submitted to them during the course of the war? Does it mean that the government itself, when it has some special application for depreciation, such as that of the Aluminum Company of Canada, deal with it on a political or partisan basis? What about the annuities branch of the Department of Labour? I have a copy of a pamphlet which the annuities branch publishes, urging people to take on this form of protection for their old age. I see nothing in it that indicates anything of a partisan political nature. I see nothing to suggest that there is any regimentation involved or any danger or insecurity if one protects one's old age by purchasing a Canadian government annuity. Rather I find it an attractive booklet, with a picture of the parliament buildings on the cover, and underneath the slogan, "Backed by the whole resources of the dominion".

One might think of other matters of a financial nature which the government handles. Take housing. We had an extensive statement this afternoon by the minister as to further government plans to make possible the building of homes in this country. This kind of thing involves the government stepping in and channelling credit into certain forms of economic activity so that socially desirable goods will be produced. The government does not apologize for these things. It claims credit for them. It insists not only that they are non-political and non-partisan, but that they are marks of the progress that has been achieved while this government has been in power. In fact, I find it interesting to read the minister's speech and find him at one point complaining about the entering wedge of socialism, and at other points claiming credit for the fact that the government have put in the thin end of that wedge. As reported at page 2547 of *Hansard* the minister says:

> We are providing a publicly owned institution to provide credit for useful and desirable industrial projects which the private institutions are unable or unwilling to finance.

True, he went on to say:

> But we do not want to create a huge government monopoly of the banking business.

The minister warns against the socialist wedge, as he calls it, but takes credit for the thin edge of the wedge for which the government is responsible. Similarly, in another passage, at page 2544, he says:

> It requires only socialization of central banking—and that of course we have already achieved.

"Socialization" is a terrible thing in many purple passages in the minister's speech; but when it comes to something like central banking, when it comes to other measures which the government has instituted in the economic life of the country, such as those to which I have referred, the minister is not only proud of the things the government has done, and claims credit for them, but he does not hesitate to use the very word "socialization" which is suposed to have such dire results.

Similarly, I was interested in listening to the remarks of the hon. member for Rosthern. He started off with one of his chronic attacks on the position of the C.C.F. and quoted from our literature, which we print in as great abundance as we can and make aavilable for Liberals and others to read that they might learn thereby. He quoted to show that we believe the banks and financial institutions of the country should be brought under public control, and then he launched into a great tirade to suggest that public control, as advocated by the C.C.F., would involve dictatorship, loss of democracy and all that kind of thing. When he finished his attack on the C.C.F. and got down to business, dealing with the Bank Act, he, being of the school of the hon. member for Parry Sound, the hon. member for Vancouver-Burrard, the hon. member for New Westminster, and some others, found some fault with the bill as proposed by the minister. He insisted that the time had come when we must let the banks know that they must be responsible to a public authority.

I would point out that he used the very same words, "public authority", when he asserted what we must have, speaking for the rebel Liberals, as he used when trying to attack the position of the C.C.F. He made some other references to the wealth made in the mining industry and to ways and means whereby that wealth is taken out of the country, and he asserted that there must be established ways of preventing this. The "public authority" must step in to protect the interest of the people of the country as a whole. What I am trying to point out is that the hon. member for Rosthern and the Minister of Finance as well, if they will read their speeches closely will see that they have themselves laid down the basic principles which we really want to incorporate into our banking set-up. In that very interesting passage in the minister's speech, to which the hon. member for Weyburn (Mr. Douglas) directed the attention of the house, where the minister said that it was his wish—and of course he was expressing only his own personal opinion—that the banks would call to their directorates men from a much wider field of our national life, including farmers, industrial workers and the like, he was laying down one of the basic principles which underlies our whole position. In other words, our contention is that the banking set-up, the financial machinery of this country, is basic to the well-being of Canada and her people, that because of that fact it ought not to be under the autocratic and dictatorial control of a few people not responsible to the parliament of Canada and to the people as a whole, but rather that it ought to be specifically and directly under our control in parliament.

I wish again, as I have done before, to deprecate the many speeches made in this house deploring parliamentary control in the economic life of our country. The idea is handed out time and again by hon. members that that involves dictatorship and a loss of democracy. But these hon. members do not seem to face up to the alternative. The alternative to public control by the people through parliament, such as we are advocating, is what we had through the great depression—private control of the things which affect the lives of our people, control of those things by a few individuals outside parliament, and not responsible to this democratically elected body.

I find it hard to understand how hon. members who seek election to the House of Commons to represent their people, and to play some part on behalf of those people in the affairs of their country, can rise in their places in the house and say, "We do not want to run things here; we want to turn the basic and the important things in our Canadian life over to private individuals outside parliament."

In his remarks the other day the minister had a good deal to say about the profits of the banks, and endeavoured to give the impression, and to substantiate that impression with figures, that those profits were not large, and that therefore the claim of this party that the banks should be nationalized must fall to the ground. It seems to me that in arguing about the profits of the chartered banks in that fashion he misses the central point of our whole contention. Our interest in the function of the banks is directed, not only to the fact that they make profit on their banking operations, but primarily to the fact that they are in a position to control production in this country, to determine what kind of production will take place, and what the extent of our economic activity will be. And it is because we want the people, through their parliament, their democratically elected representatives, to have a say in how much production there will be and a say in what kind of economic activity we shall have, that we contend that the basic function of finance should be under the control of the people of Canada, through their parliament.

As I see it—with one drawback to which I shall refer in a moment—we have done that, for the purposes of war. This evening the hon. member for Rosedale (Mr. Jackman) made some references to the fact that the banking system seemed to be functioning fairly well in this time of war, in that it had made possible a high rate of production of war goods, and a high level of economic activity in the country as a whole. May I point out to him, the minister, and the house, that in this time of war the government has really stepped into the whole picture of channelling credit, and of determining where credit is to be made available. True, the government has borrowed the money in various ways from the people and from the chartered banks and, to some extent, from the Bank of Canada; but the government has taken away from the banks and from private industry the power to determine what kind of production is to be effected. The government has stepped in, through the various war departments, the Department of Munitions and Supply, in particular, and has said, "Air training stations must be built, whether economically or not, in various parts of Canada." They have said, "Munitions, aircraft, ships, guns, uniforms—all these things must be produced. We are going to see to it

that credit is made available and channelled in the right direction, so that these goods will be produced for the needs of the war."

In other words, with the one exception to which I shall refer in a minute, in this time of war the government has superimposed upon the private credit machinery of the country a publicly directed system of channelling credit. The only thing wrong with what the government has done—although I want to make it clear that we commend the government for the position it has taken, namely, that goods had to be produced, and that what was physically possible and necessary for the war effort had to be made financially possible—is that much of this credit has been made possible through the old procedure of borrowing at high rates of interest. Under that process it is clear that after the war is over, and in the years that lie ahead, while we may not pay off this increase in the national debt, still we shall have to take out a portion of the wealth we produce in the first decade and in the second decade after the war, and so on indefinitely, and give that portion of wealth to certain people who have a claim against the government, owing to the fact that a large portion of the national debt has been placed in their hands.

The fact is that we are waging war out of current production, out of goods and services we are producing right now. We are using the raw materials we secure to-day, and we apply to-day to those raw materials the power of labour. We cannot wage this war out of work which will be done ten years from now. But because of the system of borrowing from the chartered banks the huge sums of money we need for government purposes, at the rates of interest we have to pay, in the decades after the war, or as long as the present system lasts, we shall have to keep on taking portions from the wealth we produce to pay tribute to those who, as a result of the war, have the national debt in their hands.

Speaking the other day, the hon. member for Vancouver-Burrard implied that this would be fairly easy, that we had achieved our financial independence, and have shown that it is no longer necessary for us to go into the money markets of the world. He implied that we have shown we can achieve a high level of production and, if I understood him correctly, his contention was that so long as we maintained this high level of production we shall be able to pay the interest on the national debt, and keep on going, provided that the government is prepared to continue the policy of huge government spending. I would point out to the hon. member for Vancouver-Burrard, and to others who think along those lines, that if after the war we are to have to borrow more money, so that the government can spend it to maintain our economic activity so that we can pay the interest on the war debt, without its affecting our future economy too drastically, and if in this process we continue the creation of interest-bearing debt, it simply means that the proportion of the national wealth which will have to go to those who hold the national debt will keep on increasing as the years come and go to the detriment of the people as a whole. It seems to me, therefore, that there is no argument at all for delay in this matter. I think those who have emphasized the fact that we get a chance to revise the Bank Act only once in ten years, and therefore should realize the importance of this bill in this year 1944, have done well in emphasizing that point. Bearing in mind the developments of the next ten years, we should be taking steps right now to see to it that we put a stop to this constant increase in the proportion of the wealth we produce that has to go to those who hold our national debt.

Now for a moment I should like to look at another argument advanced by the minister, also appearing at page 2546 of *Hansard* for May 2, where he spoke about the personal relationship between the potential borrower and his chosen banker. The passage reads very well, unless you stop to consider it for a moment and realize that not all the eleven and a half million people in this country are looking for a financial set-up in which it will be possible for each of us to have a personal banker for the purpose of borrowing money. The other day the hon. member for Parry Sound emphasized that not very many individuals in Canada make extensive use of bank accounts and chequing facilities, which is quite true. If you look a little further and ask how many individuals in Canada ever go in and sit down across the desk from a banker to float a loan and establish this personal relationship the minister talks about, you will realize that really very few are involved in that way. The great majority of the Canadian people want national policies that will result in full employment, in the distribution of goods and services to provide a high standard of living, in the guarantee of social security, protection in times of sickness, accident and old age. As I say, the great majority of people are more concerned about things of that kind than about having a personal relationship with a particular banker who would be very friendly and understanding. Certainly; let us have that kind of relationship in the banks of this country under government ownership as well, but we have a greater task than that, and the purpose of bringing the banks under public ownership is to achieve

policies for the control of credit, for directing credit into the production of goods and services that we need, so that there will be a high level of production, full employment, security and a good standard of living for our people.

Actually we have had more than a debate on the banking system itself. The discussion has developed—and I do not regret it; perhaps it is logical and right—into an argument between the ways of life represented by the various groups in this house. Most of the other parties seem wedded to the idea that private enterprise, despite all its failures in the past, despite the low level of living it has forced upon millions of our people, still is the system to which we should hold. We take the position that in this modern age, with all the technological advances we have had, with the tremendous capacity we have for producing wealth, with the way in which economic power has become concentrated in the hands of a few, the only course to follow is to see to it that those things which potentially are so valuable and so important should be in the hands of the people so that the wealth we produce can be made available to us all.

I am satisfied that the people of this country, and those who are fighting our battles overseas, are tremendously anxious that we should really make headway when this struggle is over, that we should really move into the kind of economy under which we shall be able to live a better life, under which we shall be able to have jobs continuously, and under which we shall be able to enjoy the productivity of which we are capable; and beyond everything, to move in the direction of co-operation, wider public control, extending the principle of democracy from the political into the economic sphere. I cannot help deploring the attempts made in this house to hold back the waves; the speeches made again and again in which the people of Canada, who want a better day with the basic things they are counting on—cooperation, public control, continuance of the high level of production we have achieved through the government stepping in as it has—are told that these things must not be, that we must go back to private enterprise and all that it gave us during the thirties.

I am going to draw my remarks to a conclusion, Mr. Speaker; I understand there is still hope that this debate may be wound up to-night, though quite frankly I feel that it has been interesting and worth while. Before I sit down, however, I want to say that when the vote is taken on our amendment, if it is beaten—and from what has been said I assume that it does not stand a very good chance in this chamber—and the way is then clear, I hope some of the Liberal members who have indicated their dissatisfaction with the principles underlying the bill now before us will move another amendment. I am hoping that the hon. member for Parry Sound, or, if he is not here, the hon. member for Vancouver-Burrard, or perhaps the hon. member for Rosthern, or the hon. member for New Westminster (Mr. Reid), or the hon. member for Fraser Valley (Mr. Cruickshank), or the hon. member for Springfield, who preceded me, will move another amendment. Someone behind me suggests that perhaps the Progressive Conservatives might move an amendment, but I do not suppose they have any alternative to the bill before us. However, the hon. members whom I have named have made one specific suggestion repeatedly; that is, that the necessary changes should be made so that the government could do all its borrowing from the Bank of Canada. The hon. member for Parry Sound suggested that the five per cent ratio provision should be changed to read 100 per cent in order that the minister's objection to inflation might be ruled out of court. I do not see why one of these hon. members should not move such an amendment. By their speeches they have indicated that they feel free to disagree with their own government on this matter. As a matter of fact, on Tuesday evening I was on the list of speakers, but I was frozen out by others who caught the Speaker's eye; and when it developed into a battle among several Liberals, who was I to interfere? As far as I was concerned it could go on all evening. But I was wondering why we did not get from some of those hon. gentlemen to whom I have referred an amendment to the motion for second reading of the bill, expressing their point of view. It would be less than we are asking; it would be only a step, but it would be a step in the right direction and would give hon. members a chance to express themselves on the idea of making at least that much of a change. No doubt some will say they are going to wait until the bill gets to the banking and commerce committee, where they will try to argue for these changes. If we wait until the bill reaches the committee, those who want the bill to remain as it is will be able to say that the house voted down our amendment, and voted for the second reading, endorsing the principle of the bill as it is without any change. There will not be much chance to do anything in the committee. I suggest that if we had an amendment embodying the specific proposals of the hon. member for Parry Sound, which have received the support of so many Liberals, it would act as an instruction to the committee so that it

would have something to work on. I wonder if the reason why hon. members are refraining from moving such an amendment is a fear that it might carry. As a matter of fact, I believe it would.

Mr. CRUICKSHANK: Why do not you move it?

Mr. KNOWLES: The hon. member for Fraser Valley would like to trap us into moving something which would be less than the position we take. I believe he agrees with the hon. member for Vancouver-Burrard and the hon. member for Parry Sound. He knows how to move an amendment. After this vote has been taken, should our amendment be defeated, I hope that he, or some other hon. member, will move such an amendment as I have suggested, so that we may have a division and know where the house stands on this question.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I gave up my time last night so that a vote would be taken, but it was not. I am sportsman enough to allow hon. gentlemen who want to catch the train to get away. I had hoped to make a few remarks on behalf of the industrial workers, but I am willing to waive my right to speak at this time because I do not want to prevent hon. gentlemen from keeping important engagements which they have to-morrow. I wanted to say something about the functions of money and the basis of credit as affecting the industrial workers of this country. I hope when the bill goes to committee their case will be considered. There were other matters to which I wished to refer, but it is now after ten o'clock. I had intended to be absent to-morrow, but I cancelled my reservation and I was ready to wait until the bill came up again, in order to let hon. gentlemen catch their trains. With the understanding that I shall have the right to say, on the preamble of the bill when it comes from the committee, what I had intended to say, I shall take up no more time of the house at the moment.

Mr. GASPARD FAUTEUX (Sainte-Marie) (Translation): Mr. Speaker, I do not wish to delay the debate longer . . . .

Mr. CHURCH: If other members are to speak, I should like to continue with my remarks. I gave way on the understanding that I was to be the last speaker. I think it is only fair that the hon. gentleman who has attempted to follow me should accept my suggestion. If this debate is to continue until to-morrow I wish to say a few words which I think would be of great importance to the industrial district I represent. I did not know the hon. gentleman was on the list of speakers.

The ACTING SPEAKER (Mr. McCann): The hon. gentleman has the floor and if he desires to exercise his privilege, he may speak.

Mr. CHURCH: This is the most important piece of legislation we have had all session. This bill comes before us once every ten years. I am opposed to the nationalization of banks and insurance companies, but I realize that war-time conditions have changed the business of banking. I think the minister has acted fairly with the house in connection with this bill. He said he wanted to have the utmost investigation before the committee, and this puts me in mind of the statement made in order in council 1562, which was passed on July 31, 1933, to appoint the Macmillan commission. The exact text of the reference is:

> That such examination should also include a study of the entire monetary system of Canada, including credit, currency and coinage, particularly in their relation to commodity price movements and fluctuations in international exchange;
>
> That it is also advisable to consider whether and in what respects the banking institutions and the monetary system of Canada may be modified, extended or developed for the purpose of facilitating intra-imperial and international cooperation in public policies designed to promote the revival of domestic and foreign trade and enterprise and the general increase of employment, and to ensure a greater measure of stability in respect thereto.

I think the committee might consider that report in all its phases and the text of the reference in detail. As I say, very little has been done in the Bank Act and other legislation for the industrial workers. The farmers and fishermen have been considered in different pieces of legislation, but the industrial worker and the small retailer, wholesaler and manufacturer are still left at the mercy of the existing shark loan companies. There are no shark loan companies preying upon farmers and fishermen. This bill has sections to deal with the inspection of our banks. This inspection has not been what it should be, as is illustrated by the Home bank and Farmers' bank failures.

Section 82 deals with loans on real estate, but the fact is that the banks are doing a commercial business in real estate. They have driven a coach and four through the whole section with the active consent of the treasury board. They have built skyscrapers in all the large cities of Canada. They have got around the provisions of this section by appointing holding companies, and I suggest that the necessary words should be added to prevent this, that they shall not directly or indirectly deal in real estate, or it shall, the act says, revert to the crown.

The bill now before the house is not very much different from the bill introduced in 1934 after the Macmillan report. There are only minor changes. The rate of interest has been reduced from seven to six per cent, and there are other small changes. Reference has been made to service charges and currency and credit. These matters are referred to in the Macmillan report. The basis of credit and the function of money, in the way of both public and private investment, have not been changed to any degree. In my opinion the service charges made against the small business or storekeeper, are too high, and should be reduced by the committee. These small business men cannot continue to operate under the strain that is put on them.

In addition, the government has placed a heavy burden on the small retailer and wholesaler in the form of taxation, artificial barriers and other restraints of trade and controls. It is about time that some of these controls were removed. Some were necessary and prevented inflation. I should like to quote what was said by Senator William Duff, a former very popular member of this house. He sums up the situation with regard to the small business man in these words, according to the *Globe and Mail* interview:

> When I take it up with the minister he tells me he can't interfere with his officials. Can you imagine such an answer? Business men are badgered to death trying to comply with the regulations, which are getting tougher and tougher and which are being issued to responsible men who know their own business, when the officials have often been pitchforked into position without any qualification whatever in the business world or the matters which come up in their own departments.

In my opinion there should be some relief from these artificial barriers and burdens. I cannot understand why these three bills, the one concerning the industrial development bank, the one revising the Bank Act and the one in connection with farm loans should not have been brought in together because they are all correlated. The banking and commerce committee should have an opportunity to consider them. We must remember that this is going to be a desperately poor country when the war is over. We have scattered our resources at a very great rate. We shall have conditions here which will be very difficult to control and meet. The government should have considered many of these matters before and should have protected the people. In Great Britain they are going back to their old trade practices act to give industry a chance. We have the Bank of Canada in this country and now we are to have a subsidiary of it, an industrial development bank, to deal with fishermen and small business men. But they will first have to go to the commercial banks; if those banks refuse to extend credit they will have to come in under industrial development bank system. Security is not much of a factor in this as it is with the commercial banks.

I am opposed to two kinds of currency, one currency for the individual and a different currency for the public, loans and investments.

Undoubtedly the banks have done good work especially during the war and during the depression, but they have not given enough help to the small business man, the retailer, the labourer, the artisan, and especially the industrial worker. A branch bank in one large city cannot lend a dollar without reporting to the inspector at head office. They are too tight in giving credit, especially in the matter of small loans. This industrial development bank is now being created as a subsidiary central bank, which was never envisioned by the Macmillan report. We have trust and loan companies, mortgage companies —we have nearly twenty trust companies in Toronto—and many other commercial loaning organizations as well as the banks, and I fail to see how this industrial development bank will help the small industrial worker.

There should also be more liberal treatment of and better wages and labour conditions for the employees of the banks, bank clerks, bank messengers and so forth. They should be treated in a more humane way; more consideration should be shown to them, especially in pay schedules, since in both wars many of them have enlisted and gone to the front.

There are many other matters that should be taken into consideration. For instance, the Midland bank is borrowing millions of pounds from the Bank of England, their central bank, and the day is not far distant when in this country we shall have to apply the well-known principle of economics referred to by A. K. Chesterton and A. Wigglesworth, two great English economists on banking. They point out that in the years to come something will have to be done along the lines I have indicated. Reliance, says Mr. Chesterton, upon 19th century economic doctrine, allied with 20th century sentimentality, is the worst possible guarantee that could be found for the future integrity of the British empire amidst the increasing economic stresses of the modern world. Why should a nation not seek so to balance its economy that it can as far as possible supply its own needs from its own resources? Upon the answer to this question of self-sufficiency will depend the survival of our whole commonwealth.

During the last century, when Britain's prosperity was being built up by supplying the markets of the rest of the world, she had the financial masterdom which enabled her to a very large extent to govern the exterior factors which had become essential to her national life. That masterdom, weakened in 1914, died five years later. The centre of financial power moved westwards, and with it went a good deal of Britain's economic independence, which in turn carried away a measure of her political independence. The other nations in the fullness of time not only set their own people to work as far as they could upon their own raw materials to meet the needs of their own home markets, but were soon driving British goods out of other foreign markets and out of empire markets, and eventually even out of the British home market. During the inter-war period this process was threatening to put Britain out of business as a great power.

While Northamptonshire boot and shoe operatives sought in vain for work, Czechoslovakian boots and shoes flooded the country. Unemployed Leicestershire hosiery workers bought Japanese socks at fourpence a pair. Japanese tires sold at ninepence, while the men of Coventry lined up outside the labour exchanges. And so it was with almost every other manufactured product. The agricultural position was worse. Seven hundred and fifty thousand British acres were withdrawn from productivity between 1931 and 1938, 150,000 acres of them in a single year. Britain's export trade went down twenty-five million pounds in six months. Such was the price paid for 19th century economics applied to the 20th century.

I believe that Britain must get back her export trade and that she must deal with empire countries first. We have vast resources of raw materials within the British empire, and we should have an empire preferential trade policy that would facilitate the flow of goods from one part of the empire to the other. Common sense alone demands that we should produce to our maximum capacity within the empire and secure within the empire the maximum distribution of the goods produced. Whatever was surplus to our imperial requirements could then be exchanged internationally on an ad valorem basis for what was in deficient supply. The opportunities of the home market offered to the dominions would be sufficiently large to induce cooperation without interfering with such of their trade as flowed naturally along other channels. The empire needs to be self-contained up to the point where all available man-power is employed upon all available raw materials to meet empire needs. Unless we do that the British empire will be liquidated; it will have had its day and will go by default. We should exchange goods and services for goods and services, balancing exports and imports.

I am a strong supporter of the mining industry and should like to see it flourish, and it must in Canada. Britain made a mistake in 1925 in going on the gold standard, and we know what happened to the mother country between 1936 and 1938. The gold standard is only a modern affair. It came into existence after the Crimean war. In 1871 Germany was one of the first countries to adopt the gold standard. She exacted so much compensation in gold from France at that time. Other countries began to manufacture goods also and were able to undersell the British in the markets of the mother country, empire countries and foreign countries.

I hope that we shall be very slow to enter upon any more international financial complications without parliament's assent. The banking and commerce committee should consider the whole problem of British preferential trade within the empire, favoured trade relations, and the Atlantic charter, and see if we cannot develop self-sufficiency within the British empire along the lines I have indicated.

I have only taken twelve minutes, Mr. Speaker, and I wish to apologize if I have kept anyone from missing his train. I hope I have caused no inconvenience by interfering with any arrangements. But I believe the time has come when we should hear something from the minister and his department about these matters. I referred at the start to what Mr. Wigglesworth and Mr. Chesterton said as to the international bank and the redemption fund, which in practice take up ninety per cent of direct banking exchange. I quote Mr. Wigglesworth in the *National Review:*

> Some may ask what guarantee stands behind the issue of money which to-day exceeds £1,100 million in volume, while the whole labour of the country is engaged in gainful employment for war or peace production. Well, behind the so-called fiduciary issue there exists a redemption fund of gilt-edged securities which, incidentally, are dividend earning. If the Midland bank, for instance, require a million one-pound notes it pays to the Bank of England a cheque of equal value. This cheque is instantly invested by the Bank of England in consols or similar high-class securities. As soon thereafter as the Midland bank accumulates redundant notes it returns these and gets from the Bank of England a cheque for equal value. The latter transaction results from a sale by the Bank of England of an identical value of its securities. Thus the redemption fund is the balancing factor. The process is entirely automatic and self-controlled. It is independent of any movement in gold. Money is thus made the servant of industry. It acquires thereby its real status—that of a counter to facilitate the

exchange of goods. When the volume of traffic in goods diminishes paper currency flows back to the Bank of England and is destroyed. Thus each note represents the true value of goods of some description. . . . Behind the issue stands not only the redemption fund, which is a mere cog in the wheel, but the whole wealth of the country in its truest sense. This may include not only gold and silver bullion, but every commodity. Surely you have here a currency of infinitely greater value than that based upon a single metal, gold, which is always coveted, and liable to be spirited away by some foreign buyer. . . .

As we know, the United States took nearly all the gold of the world between the two wars and in this one when they had what was also called the cash-and-carry policy.

There is a future for gold. That future will not lie in any such basis of value as currency that it had in the past since there will be an international bank; gold will prosper in a better future in the arts and in industry, for which ninety-five per cent of it is being used to-day, and in connection with which there is a tremendous future for the gold mining industry of this country.

In conclusion, I wish to state that I will support any measures taken by the dominion and provincial governments to aid the mining industry, and to give the commercial banks fair play, but some reform is needed.

Mr. GASPARD FAUTEUX (St. Mary) (Translation): Mr. Speaker, I do not wish to lengthen this debate, but I should feel remiss in my duty if I did not comment briefly on the remarks made yesterday by an hon. member of this house about the salaries paid by a certain bank in the province of Quebec. I may say at the outset that I am in complete agreement with the numerous hon. members who spoke in favour of this bill and that I shall consider it a pleasure as well as a duty to vote for this measure. I wish to take this opportunity to congratulate the hon. members who delivered splendid speeches in which they referred quite aptly to the good work performed by the banks in this country. As was stated many times during this debate, we have before us a bill which will empower the government to renew the charters of our banks. It has been said time and again that a privilege is thus conferred on those financial institutions. I wish to point out in this connection, to those institutions that every privilege implies some obligation, and that it should be part of their responsibility to pay at least reasonable salaries to their employees. The attention of the house was called to the salaries that a certain bank had paid in the province of Quebec, namely $8 a week, for instance, to young clerks who were starting in the employ of that bank. Tellers were paid $17.50 a week even after nine years of service. It has also been stated that assistant accountants of thirteen years standing were receiving $22 a week and accountants, after fifteen years, enjoyed a weekly salary of $26.

I wish to raise my voice in this house to protest against the starvation wages these institutions are shamelessly paying their employees. It would be wise for the banking committee and the Minister of Finance (Mr. Ilsley) to force these financial organizations, who enjoy a privilege granted by the government to pay better salaries to their employees. If the banks, as many other financial institutions, fear that, in view of the radical movements which seem to make some headway in our country undesirable reforms may be enacted, I feel that there would be less cause to take alarm were such powerful organizations as the bank already mentioned to set the example for others, for commercial and industrial firms in general, in the field of reasonable salaries. Thus, they would promote in Canada the cause of order and economic stability, which have been our claims to greatness in the past.

The house divided on the amendment (Mr. Coldwell) which was negatived on the following division:

YEAS

Messrs:

Burton	Johnston (Bow River)
Castleden	Knowles
Choquette	Nicholson
Coldwell	Noseworthy
Gauthier	Quelch
Gillis	Roy
Hansell	Shaw—15.
Hlynka	

NAYS

Messrs:

Abbott	Fauteux
Aylesworth	Ferland
Bonnier	Ferron
Breithaupt	Fontaine
Cardiff	Fournier (Hull)
Cardin	Fraser (Northumberland, Ont.)
Chevrier	
Church	Fulford
Clark	Furniss
Claxton	Gardiner
Cleaver	Gershaw
Cloutier	Gladstone
Corman	Golding
Crerar	Goulet
Cruickshank	Graham
Dupuis	Grant
Esling	Graydon
Evans	Green

Hanson (Skeena)	Matthews
Hazen	Maybank
Healy	Mayhew
Henderson	Michaud
Howden	Mullins
Hurtubise	Mulock
Ilsley	Mutch
Isnor	Neill
Jackman	Nielsen, Mrs.
Jutras	O'Neill
Kinley	Parent
Kirk	Perley
LaFlèche	Picard
Lafontaine	Pouliot
Leger	Purdy
Little	Ralston
Lockhart	Reid
McCann	Rhéaume
McCulloch	Rickard
Macdonald	Roebuck
(Brantford City)	Rose
Macdonald (Halifax)	Ross (Calgary East)
McDonald (Pontiac)	Ross (St. Paul's)
McGarry	Ross (Souris)
McIlraith	Ryan
McIvor	St. Laurent
MacKenzie	Sanderson
(Lambton-Kent)	Senn
MacKenzie (Neepawa)	Sissons
Mackenzie	Soper
(Vancouver Centre)	Stirling
MacKinnon	Stokes
(Edmonton West)	Taylor
McLarty	Thauvette
MacLean (Cape Breton	Tucker
North-Victoria)	Turgeon
Macmillan	Turner
McNevin	Ward
(Victoria, Ont.)	Weir
McNiven	Whitman
(Regina City)	Winkler
MacNicol	Wood—112.

Mr. JEAN: Mr. Speaker, I was paired with the hon. member for Charlevoix-Saguenay (Mr. Dorion). Had I voted I would have voted against the amendment.

Hon. J. L. ILSLEY (Minister of Finance): Mr. Speaker, I am not sure whether I can finish to-night before eleven o'clock, but I do not think I should move the adjournment of the debate now, because we still have twenty minutes to go. Therefore, probably I had better begin, even if I have to divide my speech into two parts, delivering part to-night and part to-morrow afternoon.

The debate which has taken place on the motion for second reading, and on the two amendments which have been moved, has been to my mind a very interesting and valuable one. It must be borne in mind that the principle of the bill is a simple one, namely, that the bank charters be renewed for another ten years. When renewal is moved, of course the government has certain amendments to the Bank Act to suggest. This year those amendments have been somewhat extensive, although they have been by no means radical or revolutionary.

In this debate it became necessary of course for us to consider certain very important proposals that have been before this house and before the country for a number of years. In the debate I have been criticized because I made what was called a provocative speech. Indeed the hon. member for York-Sunbury (Mr. Hanson) referred to it as a piece of passionate propaganda. I did not intend to make a provocative or propagandist speech, but I intended to examine what it was my duty to examine, namely, first, the proposal of the Cooperative Commonwealth Federation party to nationalize the banks and, second, the proposal of the Social Credit party that any borrowing the government of Canada has to make from the banks be made from the Bank of Canada, which would be coupled with an alteration of the five per cent ratio provision to a 100 per cent ratio provision. Those were the very gravamen of the issue. They went to the very heart of the question as to what we should do with the Bank Act in this year 1944. I would have been derelict in my duty had I not met those issues head-on at the outset, and considered and discussed them. If we should nationalize the banks we should not extend their charters, nor should I be introducing this kind of bill. If as a government we should cease to borrow anything from the chartered banks—and I certainly do not wish to borrow any more than can be avoided—and if we were to substitute the Bank of Canada for the chartered banks, as a source of money we need over and above the money we get from the public, and couple with that the 100 per cent ratio provision, it would mean a radical amendment to section 59 of the Bank Act. That is something which should also be considered in the debate on second reading.

Therefore the debate came on in that way, and it has been a valuable one. The C.C.F. party took exactly the position which I said they would take, and which everybody knew they would take, both in the house and out of it. They put their position forward frankly; and I think for the most part—perhaps altogether—their speeches have been fair and direct arguments in support of the position of that party. Their position is that the government should go into the ownership and operation of the commercial banks of Canada.

The Social Credit party also took exactly the position that was foreshadowed in the speech I made on second reading. Their position is that any borrowing which we do from the banks should be from the Bank of Canada; that is, debt-free money, or the creation of new money. And they for the

first time I think in this house, together with the hon. member for Parry Sound (Mr. Slaght)—and probably some other members—have implicitly, if not expressly, accepted the argument I have been making for years, that if we were to substitute borrowing from the Bank of Canada for borrowing from the chartered banks, and leave the five per cent ratio provision as it is, the effect would be so tremendously inflationary that it should not be tolerated. Therefore they have done exactly what I knew they must eventually do; they must be driven to the 100 per cent ratio proposal. The hon. member for Lethbridge (Mr. Blackmore) said that if the 100 per cent ratio proposal placed the banks in a position where they would undergo great loss, then the government should pay the loss. That meant that we would be substituting interest in another form for the interest which we are now paying the chartered banks, and the position so far as the taxpayers of Canada are concerned would be precisely as it is to-day.

Mr. QUELCH: Very much less.

Mr. ILSLEY: No. And I would kindly ask hon. members to let me conclude the debate.

Let us take a few of the arguments advanced, and a few of the objections which have been made. Since I have only forty minutes in which to conclude the debate, I can select only some of the more striking arguments, some of those which have made the greatest impression upon the house.

Applying that principle I do not think it is necessary for me to say very much about the speech of the official critic of the Progressive Conservative opposition, because his speech was a very curious performance. I had made no attack upon him. I had made no attack upon his party. I had made no attack upon his party's policy. His party had no amendment to suggest. His party had no criticism to my bill, except a very minor criticism related to *bona vacantia*, which we can discuss in committee. Yet we had a long speech from the hon. member for York-Sunbury (Mr. Hanson), which consisted in an attack upon me, and the manner of my presentation of my case to the house.

With regard to the lessons in taste which the hon. member sought to teach me, I am greatly obliged to him for them, and perhaps will derive some benefit therefrom. But with regard to his attack upon the method of my presentation to the house I contend to him that I had to do exactly what I did in my opening speech, namely, to examine the position of the C.C.F. party and the Social Credit party.

I shall not refer to any other speakers by name, although I may perhaps say something about the speech of the hon. member for Parry Sound, which possibly impressed some hon. members, because of the picturesqueness of the language rather than the soundness of the argument. But I do wish to take up, in the few minutes remaining to me to-night, a few of the arguments which have been advanced against the bill.

In the first place, the most important provision of the bill, that providing a guarantee of loans to farmers and fishermen, has not received the amount of attention in the house which I think it deserves. True, it has been discussed by a few speakers—the hon. member for Qu'Appelle (Mr. Perley), the hon. member for Rosthern (Mr. Tucker) and the hon. member for North Battleford (Mrs. Nielsen)—but very few speakers have dealt with that important provision in the legislation. To the hon. member for Rosthern, who made the suggestion that the rate should be three per cent instead of five per cent, I would say that is a matter that can be considered either at the time the farm loan improvement bill is before the house, or in committee on this bill; but my personal opinion—and I give this for what it is worth—is that if the rate is made three per cent instead of five per cent we shall defeat the purpose of the bill and the loans will not be made. We must remember always that we cannot, simply by putting down interest rates, ensure that loans will be made in volume at those low rates. My opinion is that this would be an impracticable proposal.

With regard to the advantage of this provision for credits, some have expressed scepticism as to whether these loans would be made in volume, but my expectation and belief is that any honest farmer who can use the money for fruitful and productive purposes will be able to get a loan under the provisions we have inserted in the Bank Act, and under the provisions of the farm loan improvement bill. That matter can be fully discussed in committee, and by the time that discussion ends I think hon. members will be satisfied that this provision will really result in the extension of useful credit on very reasonable terms to large numbers of the primary producers of the Dominion of Canada.

I have been asked in this debate why we are giving the farmers merely a modified home improvement loan plan while we are giving the industrialists an industrial development bank. The criticisms of our position fall under two heads. It was suggested by the leader of the opposition (Mr. Graydon), though I must say not advocated, that we might have provided for our industrial loans in the same way that we have in this bill provided for agricultural loans; that is, that

they should be made by the chartered banks under a guarantee by the dominion government. I want to give a few reasons why I think that would have been inadvisable. In the case of intermediate credit loans for farmers and fishermen, there is a vast number of loans all of a more or less uniform character, and also of the type which the banks are equipped to make. The insurance principle is therefore applicable to them. In other words, it is easy to lump all these similar loans together and apply a guarantee to them based on a stipulated percentage of the total amount of loans made by any one bank. The same thing applies to home improvement loans; there will be a very large number of relatively small loans of a very similar type. But the type of loan that will have to be made by the industrial development bank will be entirely different. The amount of the loan in each case presumably will be a great deal larger than in the case of agricultural intermediate credit loans or home improvement loans, and the number of loans will be relatively small. Each of these loans will present its own special problems; each will be a special case and will have to be considered on its merits. For these reasons the insurance principle is entirely inapplicable.

There are other reasons as well. Partly for the reason just mentioned—that is, the high degree of variability in the character of the loans—it would be extremely difficult to fix a percentage of guarantee that would be suitable. If the percentage were placed at a relatively low figure, such as ten or fifteen per cent, the government could be sure that there would be many loans that never would be made by the banks. A banker might be concerned with the possibility of loss on the particular loan before him, and might not feel that his loss on this loan would be offset by the bank's experience in a multitude of other loans. In practice, as already pointed out, there would not be a multitude of other loans. In the case of any one bank, particularly a small bank, the number of loans made in the course of one or two years probably would be relatively small, and not enough to give the diversification of risk upon which the pool or insurance principle is based. Then the Bank of Canada should exercise an active rather than a wholly passive influence in the type of loan concerned with the initiation of a new enterprise or the expansion of a small enterprise. Loans of this type which are desirable in the national interest, particularly if Canada is to carry out an expansionist policy in the years after the war, might never be made, and the government's guarantee never asked for under the insurance principle; and many of the loans the industrial development bank will be making are not of the type that commercial banks have made in the past, and perhaps in most cases of the type they are not equipped to make.

These are some of the reasons why I think the pool guarantee principle should not be applied to the kind of operations envisaged for the industrial development bank. But then from the other side, from the C.C.F. and perhaps others of the smaller groups, we had the suggestion that instead of providing for guarantees of the loans by commercial banks to farmers and fishermen, we should set up an agricultural development bank; and we were asked why we were not doing that. Well, there is a very practical reason; there are several reasons for not doing it, but one is very practical. It is that an agricultural development bank would mean a bank with perhaps a thousand or two thousand branches. It would mean duplicating existing banking facilities wherever there are farmers and fishermen, and that takes in most of Canada. It would mean great personnel problems; it would mean problems of labour and materials, and, in addition, it would get us into something like commercial banking, which I do not believe and the government does not believe is a suitable field for government enterprise.

Hon. members have attempted to say that we are in an inconsistent position; that we say the government should not go into the field of commercial banking for various reasons, one of which is that political influences might prevail, but that at the same time we are going into the field of industrial development banking, and one hon. member says we cannot have our cake and eat it. I want to point out the difference between the very limited type of banking or loaning that we propose to do in the industrial development bank and the kind of business we would be in if the government went into commercial banking. To begin with, the commercial banks have about thirty thousand employees; the industrial development bank, after it gets going, will have perhaps fifty or a hundred. I presume the commercial banks make several hundred thousand loans a year; the industrial development bank, comparatively speaking, would make only a few.

Mr. GRAYDON: I do not want to interrupt the minister; but if that is the case, the whole object of the industrial development bank, as we understood it, which was to help the small people throughout the country, will be negatived, because if you are not going to have more than the number of loans suggested you are not meeting that objective.

Mr. ILSLEY: In his speech to-night the hon. member for Rosedale (Mr. Jackman) said that perhaps the industrial development bank would have a thousand customers while the commercial banks have a million. I do not know whether those figures were evolved from some discussion that took place in the committee while I was absent; but while such figures cannot be at all exact, at any rate the difference in magnitude and ramifications and contacts, particularly public contacts, between the industrial development bank and the chartered banks is tremendous. The chartered banks have 3,077 branches in Canada. The industrial development bank at the outset will have no branches; it will have nothing but a head office. After that there will be some branches, perhaps one in each province. You have two entirely different kinds of institution. It is the multiplicity of these contacts, these hundreds of thousands, perhaps millions of contacts, that create the political dangers in an institution, the dangers of political pressure, political control and so on. It is where large numbers of people are affected, as every hon. member knows. Not always is that the case. There are public utilities which deal with the public on a standardized basis where the danger is negligible, but in this case thousands of government employees will have to pass upon the honesty and character of the people they deal with. They will have to deal with A to-day on one basis, and with B to-morrow on a different basis. That is the situation in which the impropriety of government operation emerges, in my opinion and in the opinion of the government.

The C.C.F. have attacked that one argument I have made against the socialization of the banks, but they have left the others pretty well alone. I challenge any member of this house, after hearing the eloquent and able speeches by members of the C.C.F., to put in a sentence what the utility would be of nationalizing the banks of Canada. They say, "Oh, well they would deal out credit in terms of public need." Does that mean that loans are to be made on the basis of what would be helpful to the person applying for money, regardless of whether or not the money is to be repaid? I have thought this thing over after hearing the hon. member for Weyburn (Mr. Douglas) the hon. member for Rosetown-Biggar (Mr. Coldwell) and other hon. members, and I cannot see what difference there would be in this thing unless they propose to go in for bad loans on a large scale.

On the question of the volume of credit, the loosening up of credit in times of depression and the contraction of credit in times of boom,

may I say that that is controlled by the Bank of Canada, as I explained in my earlier speech. One of the speakers for the C.C.F. said, "Oh, yes, the Bank of Canada can force reserves on the chartered banks, but they cannot make them grant loans, or if they do, they cannot prevent the banks from calling the loans in." The profit motive ensures that they will lend if they can safely do so, and it ensures that they will not call the loans in if they can safely let them stay out.

An hon. MEMBER: Oh, no.

Mr. ILSLEY: Oh, yes; it certainly does. If the C.C.F. proposes that their government commercial banks are to be run without regard to profit and loss, then they are in for a gigantic system of bad loans on the part of the government. Probably in a great many cases they will have to be granted under mass pressure. Perhaps they will say that that is democracy, but that is what would happen if they are going to change the operation of the commercial banks in the way which they propose.

Mr. COLDWELL: Since the minister has asked a number of rhetorical questions, may I say that we regard the banking system as part of the whole economic system.

Mr. ILSLEY: My hon. friend says that he regards the banking system as part of the whole economic system. I think the hon. member for Rosthern proved to the house in his speech this afternoon that the reason why the C.C.F. desires the nationalization of the banks is that that is essential to the socialization of the whole system. In other words, the fourth argument, if hon. members will recall, in my speech which was referred to by the hon. member for Weyburn, is a sound argument. That is the basis and crux of the socialist position in connection with the nationalization of the banks. I should like to move the adjournment of the debate.

Some hon. MEMBERS: Go ahead.

Mr. SPEAKER: With the consent of the house.

Mr. COLDWELL: I think the minister is tired, as is everybody else.

Mr. GRAYDON: Leave it to the minister to say whether he wants to go on.

Mr. ILSLEY: I would prefer to wind it up to-night if I can have unanimous consent. I shall have to keep within my forty minutes. Reference was made to the small loan business by the hon. member for Vancouver-Burrard (Mr. McGeer), who indicated that he would

fight hard against this bill in the banking and commerce committee because it increased the rate from seven per cent to 9¾ per cent to small borrowers. That is not the effect of this bill. The present rate paid by borrowers for small loans on the instalment plan is up to twenty-four per cent. That is what they pay when they borrow from the small loan companies. We thought that the banks should be empowered to make this class of loan, but that there should be a limitation placed upon the rate of interest they could charge, and this has been put at 9¾ per cent. We have put it in the form of a five per cent discount, but it really amounts to 9¾ per cent. This is a special and unsecured instalment type of loan, but it is being made available at a much cheaper rate than is now being paid by the people of this country. I believe this to be one of the most constructive proposals in the bill. It fills a current need.

If the measure comes out of the committee with the borrowings limited to a rate at which they cannot carry on the business in any volume, then I am not sure but that it would be my duty as head of the department of insurance to issue licences to additional small loan companies. If I did not do that and there were no regulated facilities, these people would be driven to note-shavers and loan sharks, as was the case some years ago. I consider this to be one of the most constructive provisions in the banking bill. For two or three years now I have been turning down applications by small loan companies for licences.

Mr. QUELCH: Is the bank of Commerce not making small loans?

Mr. ILSLEY: Yes, but at rates higher than 9¾ per cent.

Mr. QUELCH: But less than twenty-four per cent.

Mr. ILSLEY: But higher than the limitation provided by this bill.

I think that is all I can say about that part of the measure because I must hurry along. Perhaps before I get too far along in my time I should say something about the speech of the hon. member for Parry Sound (Mr. Slaght). The hon. member made an astonishing speech. He used the word "monopoly" in a sense which it does not have. He talked about the monopoly which the banks of Canada have. He used the word in the sense of a holder of a franchise. Apparently it did not make any difference to him whether there was one holder, two holders, ten holders or, as in the case in the United States several thousand holders of the franchise. He used the word in a sense which would make the banks of the United States or the banks of any country a monopoly simply because they were empowered to carry on the business of banking. I think I dealt with the question of monopoly by the banking system of Canada in my first speech.

In dealing with the profit of the private banks the hon. member for Parry Sound denied that the shareholder's equity was the proper basis. The hon. member for Rosetown-Biggar denies that also, as well as other members of the house. They have said that in working out what would be a fair return to the shareholders of a bank we should take into account the original paid-in capital and nothing else. Let me put this to hon. members. If a farmer as a result of his operations is able to save some money and he buys another farm next to his original farm, would it be fair if we were asked to set a fair return on his farm to take the value of both farms or of the first farm only?

Mr. COLDWELL: The example is not comparable.

Mr. ILSLEY: It is comparable. What does a shareholder's equity consist of. Do hon. gentlemen know? It consists of paid-up capital, reserve funds and undivided profits. I believe that one of these banks has been in existence for 125 years, while other banks have been in existence for many decades. It would be most unfair to take the original investment only, made perhaps half a century ago, and say that it is only on that original investment that the present owners of the bank are entitled to a return. Most of the owners of banks have obtained their shares in more recent years and have paid, not $100 but $150, $200, $250 and sometimes more per share. If they are to be paid a return only on the original investment it would mean the immediate reduction of the shares to something approximating their par value, which would be entirely unfair. The shareholders' equity is the proper basis, and what was their rate? Six per cent. All those great figures we heard, $47,000,000 including tax, sixteen per cent, twelve per cent, ten per cent and so on, all come down to this, that in the year 1943, which was a good year for the banks, when they did far better than the average for the fifteen previous years, for which I have also given the figures, they earned—they did not get by way of dividends, but their net earnings amounted to 6·03 per cent of the shareholders' equity.

The hon. member for Parry Sound says, just as the Social Credit party says, that the borrowing should be done from the Bank of Canada. He recognizes, and I am glad that at last after two or three years apparently he has come to recognize that that would be very inflationary without some change in the ratio provision. Therefore he suggested a change from five to 100 per cent in section 59 of the act. He says that the banks have two billion dollars worth of bonds they should not have. If we were to repossess those bonds and turn them over to the Bank of Canada and borrow another billion from the banks, that would make three billion dollars we would borrow from the Bank of Canada this year. If we did that, it would increase the deposits of the chartered banks by three billion dollars. That is certain. The banks, in order to carry that three billion dollars would have to pay interest on a very considerable part of it, and on all of it they would have other substantial carrying charges. Our best estimate of what the total marginal cost would be, the additional cost by reason of the banks having to carry that amount of deposits under conditions like this, is three-quarters of one per cent. If that three billion dollars were borrowed from the Bank of Canada and we had a 100 per cent ratio provision so that against the three billion dollars of deposits in the chartered banks they would have to keep an equivalent deposit in the Bank of Canada, we would impose an additional charge of $22,500,000 a year on the chartered banks. That is precisely nothing more or less than a tax on the banks. Would anybody in his senses propose a tax of $22,500,000 on the chartered banks in addition to the present taxation? The banks would not take it themselves. They would either liquidate or they would pass it on, and, as I said, there are only four classes to whom they can pass it on—to their depositors. to their borrowers, to their shareholders, or to their employees. They certainly would try to pass it on to one or more of these classes, and would do so. By our borrowing from the Bank of Canada instead of from the chartered banks we would have simply imposed a tax of $22,500,000 or more on some or all of these classes. That is all we would have done. This is a budgetary proposition. It is not nearly as much a banking proposition as a budgetary proposition.

Will it be argued that that is a fair tax, that it is a better tax than the income tax? At last the issue is out in the open. It is not hidden somewhere. It is not on a basis of getting something for nothing or on the basis of the banks getting enormous profits which must be taken away from them. Do we or do we not want an additional enormous tax placed on the depositors, or the shareholders, or the borrowers, or the employees of the banks? That is the issue. I think we should know exactly what we are facing, and that is all it is, because as the hon. member for St. Antoine-Westmount (Mr. Abbott) said the other night, you cannot get something for nothing. I do not believe we should do that, not for one moment. I think there is no sense in that tax. I think it is unscientific, illogical, unjust and a bad tax. I think our present system of taxation has much more regard for ability to pay than that kind of taxation would have.

I do not know that there is very much more I have to say. A great many things have been said in this debate which ought to be replied to if one were doing a complete job, and which ought to be replied to sooner or later, but I have not the time in the forty minutes which are allotted to me.

In my opening speech—and I mentioned it this afternoon at the time the hon. member for Vegreville (Mr. Hlynka) was speaking—I quoted two professors of economics in the United States about the years of prosperity and the years of depression in Canada, and that has been mentioned several times. But as I explained this afternoon the impression given by what I said is probably not the impression that should have been given because these professors divided the business cycle into four phases: depression years, revival years, prosperity years and recession years, and in the figures I used they were only comparing the years of high prosperity, coming toward the peak of the boom, with the years of depression. The period covered was not recent. It was from 1888 to 1924. Between 1921 and 1936 twenty-three central banks were established in twenty-three countries of the world. It is only recently that central banks have been established in practically all countries or that central banks have developed a technique to help control swings from prosperity to depression. It would be folly to deny that there are business cycles, that business is better at times than at some other times, and that certainly would be true under a socialist dispensation. Anybody who thinks that by changing the ownership and operation of industry from private to government hands you are going to do away with business cycles or that times are not going to be better sometimes than at other times is very much mistaken.

I am sure I have forgotten some of the things I should have said, but my time has expired and I am therefore concluding the

debate on this motion. I am sure that in the banking and commerce committee we shall have a discussion which will be vigorous at least, if not enlightening, and probably it will be enlightening as well. I really think the legislation we are proposing this session is the legislation best suited to conditions as they exist at the present time and to the decade which lies ahead.

Motion agreed to, on division, bill read the second time and referred to the standing committee on banking and commerce.

On motion of Mr. Ralston the house adjourned at 11.20 p.m.

Friday, May 12, 1944

The house met at three o'clock.

PRIVILEGE

MR. COLDWELL—PRESS REPORT AS TO MEMBERS' ACCOUNTS WITH KING'S PRINTER

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, before the business of the house proceeds I wish to raise a question which affects not only my own privileges but the privileges of the members of this house. Appearing in the Ottawa *Journal* of last evening was a statement of alleged non-payment of account by me to the king's printer. It was not only published in the local press but went all across the country over the C.B.C. last night. I think other members are in the same position as myself. I was alleged to be in arrears to the amount of $6.25 as of March 31, 1943. May I say that that account was incurred, $3.25 on March 6, 1943 and $3 on March 19, 1943; therefore I was in arrears to the amount of $6.25 as of March 31, 1943. That was unpaid on May 15, but, together with some other small accounts, was paid by cheque in full on July 12, during the session of last year. The impression that has been given to the country is that a large number of members of this house are in debt to the king's printer. I know that some others are in the same position as myself. We owe nothing to the king's printer. We keep our accounts paid regularly as the bills are rendered, and I think, Mr. Speaker, in fairness to the members of the house, the Ottawa *Journal,* which published the story, and the broadcasting corporation, should make a correction of the wrong impression which was left on the public mind.

Mr. GORDON GRAYDON (Leader of the Opposition): Mr. Speaker, I wish to be permitted to clear before the house and the country the name of a very prominent Canadian, who is not in the house at the moment, from any unjustifiable impression that may have been created in the public mind as a result of the reports to which the hon. member for Rosetown-Biggar has referred. I have this telegram from the Right Hon. Arthur Meighen, former Prime Minister of Canada:

> Am informed government officials have published statement representing me as owing printing bureau some $171 since 1925. Have never known or heard of this alleged debt until to-day. My secretaries then and since say they similarly had no knowledge of any such claim. All printing ordered by me or on my authority or with my knowledge was paid for. Numerous accounts have been rendered me since by bureau and paid with no claim made for past balance. Under these circumstances consider it an outrage that my name should be blazoned through Canada as a defaulting debtor. Please read this telegram to the House of Commons.
>
> Arthur Meighen

Mr. JEAN-FRANÇOIS POULIOT (Temiscouata): Mr. Speaker, politics makes strange bedfellows. I have not read the *Journal* of last night; I very seldom read the papers, but when I came up to the house I met charitable friends who were ready to organize a subscription for an amount of $85 that I have allegedly owed to the king's printer since 1925, 1926 or 1927—a long time ago. Well, I am ready to pay all the debts that I owe, but the taxes are so high that we must proceed gradually. Besides that, Mr. Speaker, it takes a virgin soul to be scandalized at such trifling matters. Of course when a man owes some money he has to pay it, as much as he can, but when there is nothing, the king loses all rights. I will tell you one thing, sir, so long as speeches made in the house are broadcast throughout the country through the printing bureau, what is the harm in that?—because the press does not mention them. If the press fulfilled its duty of reporting speeches of members of parliament there would be no accounts standing at the king's printing bureau. It scandalizes me the more because speeches made by cabinet ministers, even by the former leader of the opposition (Mr. Hanson), and, I think, by the hon. member for Rosetown-Biggar (Mr. Coldwell) especially those made on the plebiscite, have been published at the country's expense. I do not see why speeches made by cabinet ministers should be paid for by the country while hon. members are bled white to pay for a small number of copies of their speeches to inform their constituents of the work they have been doing here.

Mr. SPEAKER: Order.

Mr. POULIOT: I have just a word to say, Mr. Speaker, if you will permit me to conclude. It is that we should not view this matter from the point of view of the Pharisee; we must consider it from the point of view of the Publican, the man who sits behind in church and is doing the best he can to worship. What I regret about the publication is that it is aimed to discredit members of parliament, to show they are not fulfilling their duty to the state, and I join the hon. member for Rosetown-Biggar in protesting very strongly. If there is something which can be aimed against members of parliament, these people are all ready to take advantage of it.

Mr. W. G. WEIR (Macdonald): I have not been asked to do this, but in the same connection may I say on behalf of the hon. member for Middlesex West (Mr. McCubbin), who is in the same predicament regarding this publication, that he has advised us and showed us that he had already a receipt for the amount of money alleged to be owing by him to the king's printer.

Mr. GRAYDON: Better revise this list.

Mr. E. G. HANSELL (Macleod): Perhaps I should state in the interests of fairness that there is one small difference between the report as published in the press and over the radio. The report which appeared in the press gave the names of some who owed accounts; in the report which came over the Canadian Broadcasting Corporation at ten o'clock last night the fact was stated but no names were mentioned.

An hon. MEMBER: "Party leaders".

Mr. HANSELL: It said "party leaders", but it did not give their names. The reason I owe a little account to the king's printer is that I am a poor man. I have been trying to keep the wolf from the door, and now I have to try to keep the collector from the door.

MR. HANSELL—PROCEEDINGS OF RADIO RROADCASTING COMMITTEE

Mr. E. G. HANSELL (Macleod): Mr. Speaker, I rise to a question of privilege with regard to a news dispatch which appeared in to-day's papers. The matter is related to a discussion which took place the other day in the parliamentary committee on radio broadcasting, and I claim that the dispatch constitutes a charge against my sincerity and integrity as a member of this house. I will not take time to read the whole article. It is entitled, "Protests Remarks by Mr. Hansell."

Mr. SPEAKER: Order. I gather from what the hon. member has said that he is taking exception to something which was said about him while in a parliamentary committee. If that is so, I rather think his protest should be made in the parliamentary committee, because it is not before the house.

Mr. HANSELL: Mr. Speaker, it is a matter of privilege affecting not only myself but every member of parliament. It seems to me I am not divulging anything or criticizing anything which went on in the parliamentary committee. I am only rising to a point of privilege because of attacks upon my—

Mr. SPEAKER: Order. The hon. member should first bring the matter before the parliamentary committee. If it appears that some reference should be made to it in the house, they can so direct, but in the meantime the hon. member's first step should be to bring it before the parliamentary committee.

[*Later.*]

Mr. HANSELL: Mr. Speaker, I rise to a point of order, upon which I would ask your ruling. A moment or two ago I rose on a matter of privilege, I should like to refer Your Honour to standing order 16, at page 45 of Beauchesne's Parliamentary Rules and Forms, from which I quote one sentence:

> Whenever any matter of privilege arises it shall be taken into consideration immediately.

In note 156 at page 48 I read:

> The house will proceed with the utmost severity against persons who tamper with witnesses, in respect of evidence to be given to the house, or any committee thereof; who endeavour to deter or hinder persons from appearing or giving evidence, and who give false evidence before the house or any committee thereof.

I call your attention, sir, to that notation because the matter of privilege which I wished to discuss was a reflection by the press this morning upon myself with regard to my attempt to bring before the parliamentary committee a matter which I considered important. I cannot rise to a question of privilege immediately, Mr. Speaker, if I have to wait until Wednesday next. I do not wish to discuss the matter of the broadcasting committee. I simply wish to rise to a question of privilege with regard to something directed to me personally.

Mr. SPEAKER: The hon. member has quoted a standing order to the effect that a question of privilege must be taken into consideration immediately. The question to which he is speaking is something which was stated in connection with the proceedings of

a committee. The first opportunity which the hon. gentleman has to bring the matter before the committee should be taken advantage of, and if the committee decide that something should be done, and report accordingly to the house, then the house can deal with it. But my ruling already given must stand.

[*Later:*]

Mr. HANSELL: I rise to a point of order, and ask for your interpretation, Mr. Speaker—

Mr. SPEAKER: Do I understand the hon. member is referring to the ruling I made?

Mr. HANSELL: No, not particularly. I should like to ask for a ruling on another matter that affects the public accounts committee. The hon. member for Rosetown-Biggar (Mr. Coldwell) rose on a question of privilege with regard to a number of accounts that were before the public accounts committee. I should like to ask if an hon. member may rise on a question of privilege on a matter that is before the public accounts committee but may not rise on a question of privilege on a matter that is before the radio broadcasting committee?

Mr. SPEAKER: Whatever may have happened the facts as set out by the hon. member are these. A statement was made by him in a committee of which he is a member. An article has been published reflecting upon the hon. member. I have ruled that the house cannot deal with a matter that should first come before that committee. If the hon. member will look at Beauchesne's Parliamentary Rules and Forms, second edition, paragraph 665, he will see that that paragraph reads as follows:

> Until the report and evidence have been laid upon the table, it is irregular to refer to them in debate, or to put questions in reference to the proceedings of the committee.

At the moment the house has no knowledge of what has happened in the committee, and therefore the hon. member is not in order in rising on a question of privilege on a matter that should be brought before the committee.

Mr. BLACKMORE: Was it made clear to Your Honour that the hon. member for Macleod referred to a press statement?

Mr. SPEAKER: Order.

Mr. BLACKMORE: Was it made clear that the hon. member was referring to a press statement?

Mr. SPEAKER: Order. I have ruled.

MR. HOWE—LETTER FROM LORD BEAVERBROOK READ IN THE HOUSE ON MAY 11

Hon. C. D. HOWE (Minister of Munitions and Supply): Mr. Speaker, I rise to a question of privilege on another subject. Yesterday, as reported in *Hansard*, page 2807, the leader of the opposition asked this question:

> I should like the minister to state whether what he read is the letter in full.

I answered "It is." The answer should have been, "It is, with the exception of one sentence." This came to my attention when I was revising my remarks. I read the statement, and in reading it I omitted a sentence which had no relation to the subject matter we were discussing and which I thought, in a hurried reading, might prejudice further negotiations if it were made public. Your Honour will recall that I was reading a private letter at the insistence of the leader of the opposition. After the debate I handed the letter in full to the *Hansard* reporter. It quite escaped my mind that in reading it I had left out that sentence. The sentence was typed into the *Hansard* record, and, apparently by the *Hansard* reporter, was checked with my verbal statement and the sentence was deleted. When the record came to me, I checked back, again read the subject matter of the sentence. It seemed to me that the deletion should stand, on the ground that it was not in the public interest to place before parliament that particular sentence.

POST-WAR CIVIL AVIATION

REFERENCE TO STATEMENT BY LORD BEAVERBROOK IN RESPECT TO CANADIAN DRAFT CONVENTION

On the order for motions:

Hon. C. D. HOWE (Minister of Munitions and Supply): Mr. Speaker, I now have the full text of Lord Beaverbrook's statement in the House of Lords, made on Wednesday, and as it differs slightly from the agreed statement which I read to the house yesterday, perhaps I should place this version on *Hansard*. It is sent from the High Commissioner for Canada in London to the Secretary of State for External Affairs, and is as follows:

> The United States proposed that we should go forward to an international conference on certain lines and I will quote those lines. They were that there should be an international authority to lay down standards for technical requirements and for rates of air carriage and to interchange information. According to the American plan the proposed authority would start on a non-executive basis with no power or means of enforcing its regulations, at least during an interim period. I hope I have made quite clear the position taken up by the United States of America. It proposed an international authority on a non-executive basis with no

power or means of enforcing its regulations at least during the interim period. The United Kingdom delegation presented for consideration what is known as the Canadian draft convention, which has been laid on the table of the Canadian parliament. This draft convention lays down a detailed plan for international regulatory authority with powers of enforcement. Its provisions include the allocation of frequencies of air service and national quotas for international air traffic. I hope I have made clear the distinction between the two proposals. The Canadian proposal was considered by the Americans to be too rigid as a basis for talks at the proposed international conference. After discussion it was agreed, therefore, that we should go forward to the conference on the basis of proposals for international handling of civil aviation agreed at the commonwealth conversations some six months ago. These proposals are in some respects open to varying interpretations and were considered by the Americans to be flexible enough to provide a more satisfactory basis for an international conference. The broad purpose would be to draw up an international convention on air navigation to be implemented by an international transport organization which would evolve standards, seek to eliminate uneconomic competition, work out for each nation an equitable participation in world air transport and maintain broad equilibrium between air transport capacity and traffic on offer. On these general principles the United States and Great Britain are in agreement. The powers of enforcement of the provisions will be open to further discussion. There you have the progress towards international co-operation in civil aviation. I repeat the principles, the elimination of uneconomic competition, the setting up of national quotas in international air transport, equilibrium between the transport capacity and the traffic offering on any international air route. These must be the foundations of an enlightened approach to this subject in the future. But make no mistake; we did not give up the Canadian draft convention without reluctance. We would have preferred it. Mr. Howe, the Canadian minister, has produced an admirable document building up his structure for the regulating authority on the principles agreed at the commonwealth conversations.

It is signed by the high commissioner.

Mr. POULIOT: Nevertheless, I was in agreement for once with Beaverbrook on that.

Mr. DIEFENBAKER: May I ask a question of the minister arising out of the statement he has made to-day? In the statement of His Lordship there is a reference to the commonwealth proposal which apparently was different, in extent and in purport, from the Canadian convention. In view of the fact that His Lordship referred to that proposal, I would ask the minister whether or not, under that proposal, Great Britain and the other dominions were in favour of an all-empire route.

Mr. HOWE: I have already stated that I am not in a position to discuss the conversations that took place in London. I have already stated that no agreement was finalized and that the purpose of the conversations was not to finalize an agreement but to clarify the viewpoint of those attending the conference.

Mr. GRAYDON: May I ask the minister one question on that point? I was not very clear, in connection with the statement by Lord Beaverbrook, as to what the difference was between the Canadian convention and what is referred to here in the words, "instead, we adopted the commonwealth report". What is the difference between the Canadian convention and the commonwealth report?

Mr. HOWE: The commonwealth report was a draft prepared by a subcommittee during the conversations, for consideration by the assembly. It was a very brief document. As I stated previously, the Canadian convention was founded on that report, but expanded to form what we considered to be a rounded document on the subject.

WHEAT

MAILING OF PRODUCERS' CHEQUES FOR 1940-41 PARTICIPATION CERTIFICATES

Hon. J. A. MacKINNON (Minister of Trade and Commerce): Mr. Speaker, I wish to announce that the Canadian wheat board is commencing the mailing out of cheques to producers in payment of their 1940-41 participation certificates to-day.

As soon as the mailing of the cheques can be completed on the 1940-41 participation payments, the cheques will be mailed in turn to cover the 1941-42 and 1942-43 payments.

The per bushel payments by grades on the 1940-41 certificates have been fixed at 6·215 cents for No. 1 northern and range all the way from 6·166 cents for No. 2 northern to 20·599 cents for feed wheat and to 26·640 cents for No. 1 mixed grain. The initial advance on this last grade was only 35 cents, basis in store Fort William, Port Arthur.

In general, the rates of payment are higher on the lower grades, owing to the fact that the board was able to realize more on the ultimate sales over the initial advances made on those grades than was realized over the initial advances on the higher grades.

I have in my possession a statement showing the per bushel payments for each of the 1940-41 grades. As this statement is rather lengthy, I do not wish to place it on *Hansard*, but I have a number of copies available for any of the hon. members interested, and copies are being sent to the press gallery.

Mr. ROSS (Souris): Are these cheques being mailed to all three prairie provinces?

Mr. COLDWELL: Or just Saskatchewan?

Mr. MacKINNON (Edmonton West): The cheques are going out in regular order.

Mr. PERLEY: To all the provinces?

Mr. MacKINNON (Edmonton West): To all the provinces.

Mr. COLDWELL: Is it a coincidence that they are going out about the time we are having the Saskatchewan election?

Mr. MacKINNON (Edmonton West): Just a coincidence.

Mr. PERLEY: Now that the Minister of Trade and Commerce has made a statement which, I suppose, a number of farmers in western Canada will be pleased to hear, to the effect that payment is to be made on participation certificates, and having in mind that the case that was brought against the wheat board was argued before the appeal court of Manitoba on Tuesday last, will the minister tell the house the result of that argument?

Mr. MacKINNON (Edmonton West): I have not heard that the case was argued.

Mr. PERLEY: Will the minister give us a report on the item to-morrow?

AIDS TO HEARING

AVAILABILITY TO WAR VETERANS AND THE GENERAL PUBLIC

On the orders of the day:

Mr. W. K. ESLING (Kootenay West): May I ask the Minister of Pensions and National Health what steps have been taken to provide hearing aids for veterans who are pensionable for deafness or impaired hearing? May I also ask the hon. gentleman, as minister of national health, whether any arrangements are under way to bring low cost hearing aids within the financial range of handicapped persons in Canada.

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health): I would tell my hon. friend that arrangements have been completed whereby the department will provide, under appropriate medical supervision, a thoroughly modern and approved hearing aid to discharged members of the forces whose hearing has been affected by war service. A number have already been issued.

An offer has been received from Commander E. F. McDonald, president of the Zenith Radio Corporation, to provide the department with its newly developed radionic hearing device on the same basis as it has been offered to the United States government for members of their armed forces.

I am informed also that this device will be made available to the general public of Canada at the same retail price in Canadian currency as prevails in American currency within the United States. We are deeply appreciative of the generous offer which Commander McDonald has made both to the Canadian forces and the Canadian public at large. Commander McDonald, who is a retired officer of the United States Navy, is well and favourably known in Canada.

May I add that we are also grateful to my good friend, the hon. member for West Kootenay, for his valuable services in this connection.

ALASKA HIGHWAY

OPENING BY UNITED STATES MILITARY AUTHORITIES OF OFFICE IN VANCOUVER

On the orders of the day:

Mr. GEORGE BLACK (Yukon): This morning I sent to the office of the Minister of Labour three questions which I intended to ask him; but I see that neither he nor his parliamentary assistant is present. As the matter is an important one perhaps some other member of the government could give me an answer to them. Is it a fact that United States military authorities in charge of the Alaska highway have opened an office in Vancouver, British Columbia, to interview workers to be sent to them by national selective service at Vancouver for work on the Alaska highway? Is it a fact that the Americans are trying to hire at Vancouver 1,200 men for maintenance work on the highway and 300 men for maintenance work on the oil pipeline from Norman Wells to Whitehorse, Yukon? Is it a fact that on February 22 of this year national selective service at Vancouver had 7,200 jobs awaiting men and that on May 1 they had 12,300 jobs awaiting men—all apart from the American attempt to hire 1,500?

Hon. N. A. McLARTY (Secretary of State): The questions asked by the hon. member were handed to me just as I was coming to the house. Unfortunately I have not had time to obtain the necessary information. The nature of the questions indicates that it will take a little time to obtain the information. I wonder if the hon. member could let his questions stand as a notice until Monday and I shall see that an answer is given at that time.

RADIO BROADCASTING

ANNOUNCEMENT THURSDAY MORNING AS TO PRIME MINISTER'S SPEECH IN LONDON

On the orders of the day:

Mr. T. J. O'NEILL (Kamloops): I should like to direct a question to the Minister of National War Services. Yesterday morning the Canadian Broadcasting Corporation carried an announcement that an announcement of great importance would be made at 8.55. The secrecy surrounding that announcement by the radio was very disturbing to a lot of people and, may I say, caused some inconvenience. Why did the radio announcement of yesterday morning not specifically state that the Prime Minister of Canada would be on the air speaking from the houses of parliament in London?

Mr. ROWE: He wanted to get a big audience.

Hon. L. R. LaFLECHE (Minister of National War Services): The hon. member for Kamloops was kind enough to inform me in advance that he intended to ask this question. He refers to an historic and most important speech made before the assembled members of the House of Lords and the House of Commons in London yesterday, when the Prime Minister of Great Britain went to very great length to explain what a magnificent war effort Canada had made. He also explained that the Canadian Prime Minister is one of the great war leaders of this war and indispensable to the successful waging of war against our enemies.

Mr. ROWE: You are going to have it all over again now.

Mr. GRAYDON: I thought the leader of the government said yesterday that this was not to go on *Hansard*.

Mr. LaFLECHE: My hon. friend has asked why more details were not given in advance. May I say that the whole announcement was made at the request of the British Broadcasting Corporation. Negotiations and discussions as to exactly how it should be done went on until the middle of Wednesday evening. At the specific and repeated request of the British Broadcasting Corporation the Canadian Broadcasting Corporation did not, because it could not, say who would be the speaker, for the very simple reason that had the enemy known that the houses of parliament at Westminster were meeting together and that the great war leaders and notable figures were present they might have attempted a bombing expedition against that house.

Some hon. MEMBERS: Oh, oh!

Mr. GRAYDON: I suppose one answer is as good as another.

Mr. TAYLOR: That is a good one.

Mr. ROWE: The public will welcome that.

Mr. SPEAKER: Order.

LABOUR CONDITIONS

DOMINION ARSENALS LIMITED—BRIEF OF UNITED ELECTRICAL RADIO AND MACHINE WORKERS OF AMERICA

On the orders of the day:

Mr. J. W. NOSEWORTHY (York South): I should like to direct a question to the Minister of Munitions and Supply. Has a brief sent to all members of parliament by the United Electrical Radio and Machine Workers of America on behalf of the employees of Dominion Arsenals Limited of Lindsay, Ontario, protesting against their difficulties, come to the minister's attention, and if so, does he care to make a statement?

Hon. C. D. HOWE (Minister of Munitions and Supply): I have no knowledge of that communication.

WAR APPROPRIATION BILL

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

The house resumed from Friday, May 5, consideration in committee of a resolution to grant to His Majesty certain sums of money for the carrying out of measures consequent upon the existence of a state of war—Mr. Ilsley—Mr. McCann in the chair.

DEPARTMENT OF NATIONAL WAR SERVICES

Censorship—	
Administration	$ 18,345
Information and records branch	171,900
Postal censorship	1,515,260
Censorship of publications	135,355
Telegraph and cable, etc., censorship	337,040
	$2,177,900

Mr. POULIOT: I have just a few words to say about censorship. In the first place, we asked for a copy of the censorship regulations but it was never tabled. There are, of course, the defence regulations that must be

observed by the press, as by any individual; they are for the protection of the country in time of war, as is censorship itself. Lord Macmillan, who was the first British censor, held the view that the news which should be withheld from the public was that which would be detrimental to the war effort, not at all that which was in criticism of the government. It is a great mistake for legitimate criticism to be considered a personal insult by any minister; it shows how far away we are from true democratic principles. The idea of having all heads shaped in the same mould is absolutely totalitarian; for only by constructive criticism can we improve the standard, quality and efficiency of the war effort.

Having said that much, I protest most strongly against the actions of the so-called liaison officers of all departments who prevent the press from publishing news which is of value as well as interest to the Canadian people. I remember that at the beginning of the war the Canadian Broadcasting Corporation was crazy enough to carry an address which was delivered by Adolf Hitler in Germany. That was most stupid; it was German propaganda carried by the C.B.C., one agency of government, and passed by the board of censors, another agency of government. Against that sort of propaganda I protest most strongly. There is an old Latin axiom which is well known; it is "errare humanum est"—to err is human. As long as it is the business of the censors to prevent information from reaching the public, in order to create a sanctimonious atmosphere in which our infallible men may sit on the treasury benches, we have no democracy in this country. Emile Fague, a French academician, wrote a treatise on friendship in which he said that two friends may differ at times in order that they may realize that they are two. I am an old timer; I am for public discussion. I admit the right of any hon. member to disagree with me, but on the other hand members of parliament as one should condemn most strongly the propaganda which makes members of the cabinet above criticism. It is to their own benefit that they should be criticized; but to my great surprise I see evidence of scissors having been used in the reports of the Canadian Press and British United Press. The newspapers attach little importance to what is said here in parliament, though they devote full pages to reports of the debates and discussion in provincial legislatures. Take any newspaper published in Ontario or Quebec, or any other province. Its pages are full of what has been said in the provincial house, but sometimes there is just a word about what has been said here in Ottawa. And what is broadcast to the Canadian people? The C.B.C. broadcasts matters of little interest, but when it comes to vital questions the people of Canada are not informed. The private stations are doing a much better job of informing the Canadian people than is the C.B.C. I wonder if it is not the censors who prevent the Canadian Broadcasting Corporation from informing the public about national issues. The people of Canada are anxious to get true information. They want an exact summary of what is being said and done in parliament. That is their right, and one which nobody can deny. At times small news items are given, but when it comes to the most vital questions the people are not informed at all.

For instance, this afternoon the Minister of Munitions and Supply (Mr. Howe) spoke with respect to the draft of the international air convention, to which Lord Beaverbrook has given a cold shoulder. If the press had been fair it would have said that in order to save humiliation for the minister two private members rose in the house, the hon. member for Gaspe (Mr. Roy) and myself, to protest against the convention. Other hon. members, too, expressed views that should have been noted. It was precisely to save the Minister of Munitions and Supply the humiliation of a rebuff from Beaverbrook that we took that stand. But the press did not mention it.

Then, the other day the hon. member for Souris (Mr. Ross) moved to secure information with respect to Claire Wallace. Unquestionably that was his right, but it was most strange to find him exercising it, because he belongs to a party, the national chairman of which has decided that Claire Wallace should be paid $200 a week. I cannot conceive how it is that a gentleman whose party will be directed in the next election by the former Justice McTague, the man who gave that order—

Mr. GRAYDON: Are my hon. friend's facts right?

Mr. POULIOT: Here it is, under date of February 17, 1944. I was not going to read this, but to satisfy the mind of the hon. member for Peel (Mr. Graydon), the leader of the opposition, I shall read this order issued by the national war labour board, at the time when Mr. Justice McTague was chairman of the board. And it will be noted that this gentleman is now national chairman of the Progressive Conservative party. These are the reasons for the decision:

Re Advertising Agencies of Canada and Mrs. Claire Wallace Stutt.

This part of my remarks is dedicated particularly to the hon. member for Souris. And, by the way, I did not know she was Mrs. Stutt. The reasons continue:

This is an appeal from a decision of the Ontario Regional War Labour Board refusing to authorize an increase in remuneration for Mrs. Claire Wallace Stutt (Claire Wallace) from $170 weekly to $200 weekly.

As we view the matter, the sole question to be determined is the status of Claire Wallace. Is she an employee within the meaning of the wages order, or a salaried official within the meaning of the salaries order, or is she within the class of those persons whose emoluments are not under control at all? In other words, has she similar status to the doctor or the lawyer, and is she subject to the same lack of restriction in so far as war-time controls are concerned?

This is written in judicial language.

Two of the members of this board are quite familiar with her radio programme and her personality—

Ho! ho!

—as reflected over the ethereal waves, and we both approve.

"Personality as reflected over the ethereal waves"!

The other member is prepared to accept our estimation. So much for the principle of solidarity.

Ho! ho!

Having established that background we are all of the opinion that she is an artist, and a very fine artist indeed. As we understand the situation, she enjoys with the national war finance committee a retainer for her services which does not exclude her—

Mark this, Mr. Chairman; you will be interested in this.

—from accepting a similar retainer or retainers with others.

She can get money from everybody.

Her position is rather analogous to that of the lawyer who is free to engage himself in the service of various clients, even though he may for a certain period be engaged in the service of one. Perhaps she could be more closely likened to the portrait painter who can hardly be said to be an employee of the person whose portrait he paints.

McTague has lots of imagination.

Mr. GRAYDON: He has got a lot on the ball.

Mr. POULIOT: It continues:

That being the case, we regret that under our reference we have no control over her destinies—

Ho! ho!

Mr. GRAYDON: Is the "ho! ho!" in the order?

[Mr. Pouliot.]

Mr. POULIOT: I am reading the order by McTague.

And since it falls to our lot to decide whether the salaries board has any control we are unanimous in deciding that if we had any control we certainly would not relinquish it to any other board.

It is a matter of regret to us that we have no jurisdiction whatever over the lady.

Imagine that!

Mr. GRAYDON: That is what I thought the order was, and that is why I asked about it.

Mr. POULIOT: It continues:

If we had, it is likely we would stretch a point or even two in her favour. We can only deal with her case by way of appeal without her personal appearance, a rather unsatisfactory process. However, she should not be left to the whim or caprice of the Ontario regional board without some support.

The support of the national chairman of the Progressive Conservative party.

Mr. GRAYDON: He was working for this government, then.

Mr. POULIOT: I know. But I mention it, and the press should have mentioned how ridiculous it was for a member of the Progressive Conservative party to ask a question as to what has been done by the national chairman of his party.

Accordingly, much as we dislike having no control of her financial destinies, we must conclude that she belongs to the uncontrolled and legally uncontrollable section of the community, not, however, overlooked nor forgotten by the income tax department. Accordingly, in our opinion, if the national war finance committee feels that she is worth $200 a week instead of $170 a week, that is a matter for them to decide; and as far as we are concerned they can make the increased payment retroactive to the extent that they feel the public conscience will tolerate. The appeal is allowed.

And this is dated at Ottawa, Canada, February 17, 1944. In the corner of the notation "R.D. 121."

Mr. GRAYDON: Chairman McTague did not recommend or did not order that her salary be increased from $170 to $200 a week at all.

Mr. POULIOT: The national war finance committee did not give the increase, but it was allowed by the national war labour board.

Mr. GRAYDON: No, it was not. I very seldom find my hon. friend offering anything inaccurate, and I know that in this instance it is only a matter of inadvertence; but when he said that chairman McTague, the former chairman of the national war labour board, had ordered that the salary of Claire Wallace should be raised from $170 to $200 a week, I

thought he was obviously in error. My information is that this matter was dumped on the doorstep of the national war labour board, and they refused to do anything with it. Now it is back on the doorstep of the national war finance committee.

Mr. POULIOT: Well, Mr. Chairman, anyone who will read *Hansard* must decide between the leader of the opposition and myself on this issue. The report is there, and anybody may read it. No one will deny that Judge McTague was chairman of the national war labour board when that order was issued. If that had been pointed out by the press at the time, this contentious issue would have been left aside.

That is only one thing. But the matter is more important than one would imagine at first sight, and I leave aside Judge McTague and Claire Wallace. What I find wrong is that when anybody disagrees with the government on a certain point he is considered unpatriotic, and is said to be unpatriotic by the press and even by the members of parliament. This is contrary to the democratic idea, contrary to democratic traditions and to British institutions as they are observed at Westminster. If we were all to agree with the policies of the government, both on major and minor points, what would be the use of calling parliament together, inviting the members here, only to be told what has been decided? The only thing they would then have to do would be to nod agreement. But such an atmosphere of sanctity has been created that it is considered sacrilegious if not blasphemous to express one's personal views. Any member who expresses personal views that are not entirely in accordance with the policy that has been made underground by the intelligentsia of bureaucracy is exposed to be denounced as a traitor and as a man who is unwilling to cooperate in the war effort and the prosecution of the war.

I know that some agents of several war departments are going to the press and threatening the press if they publish certain news which is accurate and which is in the public interest to be known; or, on the other hand, they try the method of inducement, by promises, so that the press shall not convey to the public a true picture of what happens in the House of Commons. I do not mention the Senate; there is an official reporter for the Senate and their debates are on a level that is different from that of the House of Commons, because the Senators are not in touch with the under-dog, with the man on the street, with the people who have no right to say publicly what and how much they suffer.

Therefore, sir, in conclusion I will ask the minister to see to it that the newspapers are not forbidden to publish or prevented from publishing anything that it is in accordance with the defence of Canada regulations to publish. I know that there are no censorship orders—I mean orders in the sense of regulations—but instructions are given, and instructions that are all wrong and which put the Canadian people under the impression that if they speak out their minds as good citizens who are loyal to the crown and are behind a total war effort they are bad citizens, traitors, because they disagree with some features of the general policy of the government.

In this connection I will mention what has been said in the United States by a great Liberal, by a man who is outside of politics. I refer to Mr. Archibald MacLeish, who is the librarian of Congress of the United States. He made a speech which was reported in *P.M.* in March last, and he concluded with these words:

> We have before us, if we will raise our heads and look before us, the one great cause which justifies and ennobles everything we have ever said and thought. We have greater right to believe in ourselves and in the victory of the things we fight for now than we have ever had before in our lifetime. If we will believe, if we will act on our belief, nothing, no organization of reaction and ignorance, no political stultification, no power whatever of selfishness and cowardice and doubt, can stand against us.
>
> To accept the inevitability of reaction at this point in the history of our world and of our cause—to accept and to submit to the swing of the pendulum—to bow our heads to the wind that blows the candles out—to surrender in advance of the attack—is not faint-heartedness alone, but folly.
>
> What is required of us now is confidence in ourselves and our purpose. Unless we can find the courage of unshakable determination—we and people like us throughout this country and the world—this war will not be won. If we can find it, if we can renew it, there is nothing we can fail to do. Because the hope of every living heart is with us.

Mr. GILLIS: Under the heading of censorship there is one matter I wish to bring to the attention of the minister. It arises out of a Canadian Press dispatch from Sydney Mines, Nova Scotia, dated May 9, which appears in the Ottawa *Journal* of Wednesday of this week. I have heard a lot of discussion under the minister's estimates as to the maintenance and promotion of national unity, but this type of advertising which I am going to read for the minister's benefit is a type of advertising from which the province of Nova Scotia, and particularly the mining sections, have suffered for the past fifty years. It

certainly does nothing to promote national unity. This Canadian Press dispatch reads as follows:

> Their pockets bulging with lump-sum wage increases, coal miners of Sydney Mines and nearby Florence have been on a $160,000 buying spree since the weekend, and neither of the two collieries in the towns has worked since Friday.
>
> Christmas business paled beside this rush to the store counters, merchants reported, as their cash registers tinkled merrily. Saturday night's volume of business was the biggest in years.
>
> Liquor stores did a brisk business Monday, and there were reports that as high as thirty-six dollars was paid bootleggers for a dozen quarts of beer.
>
> The celebration was expected to end to-night, with the miners resuming regular operations to-morrow.
>
> About fifteen hundred miners shared in the windfall, which came through retroactive pay increases going back to November 1, 1943, under an order of the national war labour board.

Knowing the situation as it exists, I think the Canadian Press dispatch should have been thrown into the wastebasket somewhere in central Canada, because it does not tell the true story. It is distorted, misleading, and deliberate propaganda to prejudice the rest of Canada against the coal miners in that end of the country, and miners generally. The Canadian Press representative who wrote that dispatch has done a disservice to that part of the country and has thrown mud in the eyes of the Canadian people. The statement, made in glaring headlines, that the miners' pockets are bulging with money is deliberate propaganda. If anyone stopped to think about the matter he would realize that. Fifteen hundred miners participated in that retroactive payment of $160,000. That works out at exactly $107 per man. The majority of these men are married. For two years the Nova Scotia miners of this particular group carried on negotiations through their executive board with the war labour board, while their contract was in abeyance; for two years they negotiated for that increase of wages, which was granted in December, 1943, and from then to date they have waited for payment; and I am safe in saying that ninety-five per cent of the money which was received on this account was owed by the miners and earmarked for payment of their debts before they received it.

A little further in the story the writer says that the mines were idle. Reading that statement, the reader who does not know the situation is led to believe that from Friday until Monday every one of those fifteen hundred miners, their families and friends, were around making whoopee and there was no coal being produced. That is not the situation at all. For many years the coal mines of Nova Scotia have not been worked on Saturday. The five-day week was in operation. Not very much coal has been produced on Saturdays since the outbreak of the war, as the end of the week is generally a clean-up time. Friday night is practically the end of the coal-producing week. Saturday is the only day when the miners have a chance to clean up properly and enjoy perhaps a few hours' sunshine. We must remember that these people live half of their lives underground. And Saturday is not the same as it is in this province. There are no beer parlours in Nova Scotia; there is no place in town where one can go and sit down and buy a glass of beer. Intoxicants are sold only by the government liquor store, and on Saturday, the only day when the miner has a chance to get a bottle of beer, the liquor stores are not open. One can get a fairly good idea of how much of this money went into liquor when it is realized that there is nowhere to purchase it. The stores are closed when the men get home in the evenings, and—

Mr. HANSON (York-Sunbury): Are there no bootleggers there?

Mr. GILLIS: That is the point I am coming to. On Saturday, the day they are home, the store is closed. I am not as bad-minded as the ex-leader of the opposition. Whether the government of the province enacted their liquor laws in the interests of the bootlegger is something I am not prepared to say.

I want to make this matter clear to hon. members, because there is too much of this kind of propaganda. Inquire of the Department of National War Services, and you will find that in the matter of voluntary enlistments no section of Canada surpasses the coal mining districts of Nova Scotia. At the present time these men are frozen to their jobs. If you were looking for voluntary enlistments in that end of the country you could fill your quota in twenty-four hours and close your offices the next day. As regards victory loans, within two or three days the quota for the coal mining districts of Nova Scotia is subscribed one hundred per cent. Never up to date have they gone under; they have always gone over their quota, and they have got it quickly. They have a systematic organization; they know the job has to be done, and the job is done. As I have said, their war record is not surpassed in any other part of this country.

If the man who wrote that Canadian Press dispatch is in Sydney, he knows the facts as well as I do. That is why I am objecting so strongly to this story emanating from that section of the country. You may have ninety-eight per cent of your working force in a

coal mine report for duty in the morning, ready to mine coal, but there is a classification of boys who work on the haulages, who grab that coal to the rope, and who represent perhaps less than one-half of one per cent of the employees; but if half a dozen of them are off they cannot be replaced, and the result is that the mine is tied up. If a very few drivers who handle the coal by horses underground are absent from work, the mine cannot operate. The writer of the dispatch would lead one to believe that all the men in the colliery during the one day it was idle were on a drunken spree, forgetting their obligations to the country. The fact is that half a dozen boys who are in good positions, who have special training for a dangerous type of work, and who are the only ones permitted to handle it, can tie up the mine if they are off work. That is exactly what happened.

The writer of that press dispatch deliberately designed it, in my opinion, to create a wrong impression of the miners to the general public with respect to that particular class of people. If anything can cause dissatisfaction or indifference to the war effort in that particular section of the country, it is this kind of advertising, which is designed for the wrong purposes and certainly does not promote national unity. I bring it to the attention of the Minister of National War Services because I think he should check with the Canadian Press, and if there is any necessity for censorship I think it is indicated in the item I have read. The Canadian Press should be checked, and only items which tend to pomote national unity and the war effort and the country's interest in general should be printed in the newspapers across Canada.

Mr. LaFLECHE: I do not know whether the hon. member for Cape Breton South was aware at the time he was speaking that the subject had no relation whatever to censorship. He did nevertheless express opinions about newspaper reporters, and also he gave us food for thought in his remarks about people who work very hard, who are extremely patriotic and are admired by the whole of Canada. Speaking for a moment on the same subject, I think all of us are extremely sympathetic to the man who works hard year after year and then, through some fortunate circumstance, has a few extra dollars in his pocket. I can only say I wish I had been there to see the joy on their faces, men, women and children, because I believe it is good for human beings to have some legitimate and joyous moments in their lives, particularly when they are hard working. I think everyone in this house feels exactly the same way about it. But I must confess that censorship can do nothing about that matter.

In reply to the two hon. gentlemen who have spoken, neither has spoken regarding matters in which censorship may intervene. Censorship exists because a war exists and it is practised by every nation engaged in this war. Unless there were censorship we could not carry on the war. It is essential in warfare. On this occasion, at the beginning of what is believed by all to be the most serious stage of the war, may I remind the house that at no other time is censorship as careful as it is at the present moment. But censorship may operate only in matters affecting the national security, the lives of our young men and women who are fighting for us overseas and for the security of Canada and the allied nations.

Mr. GILLIS: In this item there is an expenditure for censorship and publications of $135,000. It is the prerogative of the minister's department, I understand, to scrutinize and check all publications in Canada and to suppress them if necessary if they are detrimental to the best interests of the country's war effort.

Mr. LaFLECHE: If they contravene the provisions of the defence of Canada regulations.

Mr. GILLIS: That is right.

Mr. LaFLECHE: I submit to my hon. friend that the article that he read would not, even by the greatest stretch of the imagination, be a matter of legitimate interest or action on the part of censorship.

Mr. GILLIS: With this exception. The minister also passed an item, and there was quite a long discussion on it, in connection with the promotion of national unity in Canada, bringing people together, having a better understanding, and so on. I agree with it all and while I am not asking the minister to censor the press I think there should be an understanding with them that reports from one part of Canada to the other by wire should at least be accurate before they are picked up by the general press across Canada and a lot of damage done that cannot be undone. Many times in the past I have sat in my home in Nova Scotia and read this kind of stuff. I know what it made me feel like. I had no opportunity of correcting it. There was no way I could make my side of the story known, and I know exactly how 99 per cent of the men in that section will feel when that is read back to them from the press of Nova Scotia, who also will pick it up and not only pick it up but play it up, as to the injustice

done that section of the country by the Canadian press. It definitely promotes disunity at a time when unity is absolutely essential.

Mr. HANSON (York-Sunbury): I am not supposing that the member for Cape Breton South (Mr. Gillis) suggests that propaganda in Canada, no matter how violent it may be, if unrelated directly to the war effort, should be suppressed by the censor. The situation is bad enough as it is, but propaganda will emanate from certain sources and there is counter-propaganda. I am not defending for a moment what was in that dispatch. Probably it was grossly exaggerated, but I would say that if we are to have censorship of news items of that kind, which may or not be exaggerated, there will be a revolution in this country. There will be no longer a free press in the country.

Mr. GILLIS: There is not now.

Mr. HANSON (York-Sunbury): I dispute that. There is a free press in the country, but a violent battle will take place if a suggestion is adopted that there should not be a free press in this country, and I would be one of the first to take part in it. I do not rise to comment on the statement made by the member for Cape Breton South. I quite understand his feeling. I dare say the position was grossly exaggerated. I dare say the explanation he has given of the conditions that obtain down there will be appreciated by the public. I do not think it is very much different from what he has said it is. But I want to ask some questions with respect to censorship in Canada, because I have suffered from censorship.

Mr. GILLIS: And so have we.

Mr. HANSON (York-Sunbury): I recall the day when I made a speech in Prince Edward Island on the question of the establishment in Canada of an empire training scheme, and when it was "on again, off again, gone again Finnigan" in the censor's office, and finally was released in order to give the Prime Minister and the Minister of National Defence for Air opportunity for a tongue lashing against me personally after it had been decided that the story should be censored and killed. But thank God we have a free press in this country that gave me an opportunity to answer contemporaneously the statement the Prime Minister and the Minister of National Defence for Air had made. I had a complete answer to them and I carried it in my portfolio day after day, thinking they would renew the attack in the House of Commons, but they never did. It had served their purpose. Control of censorship was in the hands of members of this government. Partisan control was in the hands of this government, and the young man, who was one of the censors, on the floor of this house to-day, was a party to it. I had him over to see me and his explanation was entirely unsatisfactory. I am going to say that in his own presence.

On another occasion my mail was censored when I was leader of the opposition, without any rhyme or reason. A constituent of the Minister of Finance wrote me a letter, and in that letter were certain reflections on the minister. That letter was censored, and I understand that under the regulations copies are taken of the letter and given to the minister in question. I do not say that was actually done, but it is capable of being done under the censorship regulations. Fortunately it did not amount to a snap of the fingers, but that is the significance of the gestapo that we have in Canada to-day, under this censorship under the minister.

I wonder if there has been any change in the regulation? I have on my files references made to censorship in the old country and a statement made by Captain Balfour, Under-Secretary of State for Air, in the British House of Commons relating to matters of this kind. I have sent for it, and if I get it in time before the debate is over I will put it on the record of the house to show how differently they operate over there. Are these regulations still in effect? When a letter is addressed to me or to any other individual, are copies of it made and handed to the ministerial department which may be concerned or referred to? Is that system of espionage and spying going on to-day as it was in 1940 and 1941? Political spying and espionage—that is what it was.

Mr. LaFLECHE: Does the hon. member want an answer now?

Mr. HANSON (York-Sunbury): Yes; I will pause for the answer.

Mr. LaFLECHE: I say categorically that there is no political espionage, and for any hon. member to say so in this committee is to say something of which he has no knowledge. There is no such thing. It has happened, and I think I apologized for the department, as I should have done, when a letter addressed to my hon. friend was opened by censorship. I have made inquiries about that, and no copies of the letter were passed on. Why should there be? Evidently on reading it over it was discovered that the letter should never have been opened by censorship.

Mr. HANSON (York-Sunbury): Why was it done in the first place?

Mr. LaFLECHE: It was an error. I ask my hon. friend and all hon. members of this committee to consider the vast volume of work being done by the censors, and the fact that all members of the censorship staff could not be expected to know as much about the public personages of this country as the hon. member for York-Sunbury does. Their regulations are definite. Mail coming to members of parliament from points within Canada is not to be censored. If it should happen—

Mr. HANSON (York-Sunbury): Was that always the regulation?

Mr. LaFLECHE: To my knowledge, it was put down very rigidly, and rigidly enforced as soon as the situation was foreseen.

Mr. HANSON (York-Sunbury): As soon as it developed; but that was not always the regulation.

Mr. LaFLECHE: I think I have explained it correctly; I have certainly explained it to the best of my knowledge. I have knowledge of one such letter addressed to a gentleman in parliament within the last four or five months—perhaps two letters. I have explained the situation, as I am trying to explain the situation now to the hon. member for York-Sunbury. The other gentleman I have in mind sits in another place. I think he is entirely satisfied with the explanation. There is no wilful snooping in regard to censorship. If there were, I would take steps to dispense with the services of any such employee. Since the hon. member for York-Sunbury has made an issue of this, I want to convince him and all hon. members of this committee that I would not tolerate such a thing for an instant. I say again definitely that censorship is exercised in Canada; it is also exercised in all other countries at war. In Canada censorship is exercised for the purpose of keeping Canada and our friends and our fighting forces safe. That is the only reason for it.

I think it is proper for me to acquaint all hon. members of the committee that in so far as the tide of war will permit us or will indicate to us, steps to dispense with censorship as our armies overseas make the situation safe in one respect or another in one country or another will be taken. There is no intention of carrying on censorship a moment longer than it is absolutely necessary for the security of our country. I believe the committee should have that information, and I give it as a gauge of the outlook of those responsible for and engaged in censorship.

Mr. HANSON (York-Sunbury): With the statement of general principles just enunciated by the minister I am in full accord, and I accept them. As to the present attitude of the department with respect to the fundamental principle of censorship which he laid down, the safety of the state, I am in accord with that. It is the operation of the practice to which I have objected in the past. I expect that because of concrete cases that have come to the attention of the department, the system has been improved. I am prepared to accept the minister's position on that account. But I do say that there never ought to have been in the regulations—if the minister will give me his attention and not try to engage the attention of the censor at the same time, I shall be obliged—a provision that any document transmitted from one point in Canada to another point in Canada could be opened and the information contained therein transmitted to a department. There never ought to have been the power to do what has been done in the past, namely, where it was of a political character to transmit the information contained to the political party that may be reflected on. That is what was done in the past, and that is why I voiced my objection at the time my correspondence was opened and censored. The minister says that was a mistake. I am not sure it was a mistake in regard to the case I had in mind.

Mr. LaFLECHE: Last year?

Mr. HANSON (York-Sunbury): It was not last year, because I was not leader of the opposition then. The hon. member for Rosetown-Biggar remembers the occasion, because he has suffered from it too, or so he said, and I believe him. Under what I call political regimentation on the part of a partisan administration and a partisan censor—who are those two young men who are set up as censors? Mr. Charpentier and Mr. Eggleston. I have known Mr. Eggleston a long time. I have not a thing against his character, but prior to his appointment he was a political writer of the Liberal party. That is not the type of man who ought to be the chief censor in Canada. In England they do that sort of thing better. In the last war they set up as censor a man who was afterwards made Lord Chancellor. I refer to Lord Birkenhead. He was the chief of the censors. We ought to have a high judicial officer. The Prime Minister admitted that principle when he put Mr. O. M. Biggar over the head of the censorship staff. He is retired now and we are back to the status quo. I object to it. I think censorship ought to be revised. The head of that branch ought to be a judicial officer. That is my position. I am not prepared to go on with the other angle until I get my file down here, and then I propose to take it up again.

Mr. WOOD: I wish to say a few words because of the remarks made by the hon. member for York-Sunbury. It would be almost impossible to ask any department of government to censor all the news items in the press that do not agree with the particular ideas of a department. I may say to the hon. member for York-Sunbury that I have a high regard for the intelligence of the public mind to filter out the good from the bad. When something fantastic is published in the press it reflects only upon those who are responsible for that particular publication. There may be times when it would be possible to put some particular propaganda across before truth could catch up with it; but in the main I am averse to making an attack upon the press, because they usually have the last word. Nevertheless the press in Canada has served a very useful purpose by transmitting some of the important news, though I do not claim that it has transmitted all the important news, by any means. As was demonstrated by the hon. member for Cape Breton South, it would be very difficult for anyone to write a story or article without colouring it with his own prejudices or philosophies. I believe the intelligentsia of the country realize this, and articles are usually read with the ordinary reservations of common sense that should be applied.

I am just mentioning this in the hope that the press will not get the idea that because it publishes something, the public believes every word of it. Really I have a higher regard for the intelligence of the press than to believe they think any such thing. The hon. member for York-Sunbury should not be too thin-skinned about certain criticism; public men must be prepared to have some things interpreted in a different way from what they had hoped. I have in my hand an editorial published in the Ottawa *Journal* of April 26 which I believe more or less shocked the public. Not very much has been said about it, but I am sure it has been drawn to the attention of many hon. members. It is headed, "This smearing should be stopped" and is written in such a way that I think it reflects upon members of parilament. It says, "There is—"

Mr. GRAYDON: On a point of order, Mr. Chairman; I know my hon. friend would not want to contravene the rules of the house, and it is a well known rule that such editorials as he has mentioned should not be read in this chamber.

Mr. WOOD: I was not reading the editorial; I was using the text of it to express what I had in mind, because its language is much better than anything I could offer; just as the hon. member for Cape Breton South read a particular item which he said was a reflection upon the miners. Since we are discussing the press I think it must be in order to discuss what the editor of a newspaper has to say; at least I presume this was written by the editor, since it appears on the editorial page. I am like the leader of the opposition; I do not hold the editor of a newspaper to be different from any other human being; he is just an ordinary man giving his opinion. I do not see why we should not quote him just as we quote the leader of the opposition, who is also just a man with an opinion.

Mr. GRAYDON: That is quite true, but this happens to be a rule of the house. If my hon. friend wants to change the rule he knows how that may be done. While the rule remains, however, I think the hon. gentleman should observe it. I have no desire unduly to restrict him; it is only a matter of keeping the record straight. On more than one occasion I have been prevented from reading editorials, and in this instance perhaps I may have a personal reason as well in asking that the rule be observed. I would request the chairman to give a ruling with respect to the point of order, because this rule is always observed, to my knowledge.

Mr. WOOD: I have not started to read the editorial yet, so that I do not know what the hon. member's point of order may be. If he is trying to head me off, that is characteristic of the very thing to which I was trying to draw attention. I do not think anyone should have a gun put under his arm and be told what he may or may not say.

Mr. GRAYDON: My hon. friend says he is not going to read the editorial, but he had started to read it. After the editorial was read it would be too late to raise any objection; then my hon. friend would be guilty of the same sort of smear tactics that the editorial apparently is criticizing. If the hon. gentleman attempts to read this editorial; if he is allowed to do so by the chairman and the committee, probably it will be a reflection against some hon. members of the house. That being so I think my hon. friend, with his usual courtesy, generosity and kindness, would not wish to proceed further.

Mr. WOOD: If there is no ruling I shall proceed. I appreciate the very graceful tribute of the leader of the opposition, and with equal courtesy I must say that I do enjoy his wholesome approach to these matters and I am sure our friendship will not be smeared in any way by anything I have to say to-day.

The ACTING CHAIRMAN (Mr. McCann): Is there any further discussion on the point of order? If not I would refer hon. members to citation 306, which reads:

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 the proceedings within the house.

Since the hon. member for Brant does not intend to quote the editorial it will be unnecessary to give a ruling on the point of order.

Mr. GRAYDON: I think on reflection the hon. member has changed his mind.

Mr. WOOD: I am sure I should be the last to disobey your ruling, Mr. Chairman, but we are discussing censorship, which applies to newspapers and periodicals. I do not know how we can do that without making reference to certain articles which have appeared in the press, whether in the form of editorials or otherwise. But I might say that a comment was made in the press in reference to the least desirable groups of government supporters, in regard to a campaign that was under way to smear two gentlemen who had held high offices in this government. It referred, I believe, to Mr. Justice McTague and Mr. Borden, who had deserted the war front to become associated with a political organization.

Mr. GARDINER: It would not be out of order to read that.

Mr. WOOD: The point is that no newspaper man should put a gun under the arm of a member of parliament and tell him what he may or may not say in regard to a public servant. An hon. member said there would be a violent battle if we interfered with the freedom of the press, but I think the press should recognize that members of parliament and other citizens have the same rights and privileges, and they should not be accused of smearing because they see fit to criticize the unethical action of certain gentlemen who saw fit to desert the war front at a time of crisis and join a particular political party. My attention was drawn to this article shortly after it was published. I think it contains some reference to being shocked. I am sure the people of Canada were shocked when they learned that this situation existed, but this newspaper saw fit to publish this editorial which said this smearing should be stopped before it even started. It seems to me that the attitude of the leader of the opposition was somewhat coloured with the same weakness when he endeavoured to stop me, before I had even got started. So that I am beginning to think that in consequence of his conduct here he has indicated one of the characteristics of his own particular philosophy of political thinking. It would seem that one of those characteristics is to head something off before it gets started.

Mr. GRAYDON: Your bark was worse than your bite; that is all.

The ACTING CHAIRMAN (Mr. McCann): Order.

Mr. WOOD: Something further was drawn to my attention—and I make this statement, not so much for the good of the press, but rather for the good of the country generally. After all, I believe intelligent people do frown upon a certain code of ethics, whether used by the press or by any other person or group of persons.

Following the ceremony in front of this building in connection with the launching of the victory loan campaign, under the guidance of the war finance committee, a picture appeared in the *Globe and Mail* of April 24. There was a splendid demonstration out here, and we find in the newspaper mention of Mr. George Spinney, honorary chairman. Then appears the name of the man who was honoured with the Victoria Cross, Major Triquet. But the name of the Minister of Finance (Mr. Ilsley), the man who has been conducting the financial destiny of this nation, did not appear. He sits there, as appears in the picture, in a prominent and conspicuous position. I suppose the average reader of the *Globe and Mail* would wonder who that distinguished gentleman is, whose name is not printed. However it is only fair to say that the Ottawa *Journal,* in which appeared exactly the same picture, did honour the Minister of Finance by printing his name, and tendering to him the recognition he deserves.

These may be small things, but they are of importance. These pictures were mailed to me by friends from two different places. What I have said is a reflection of what is being said in the country at large. I am not saying that the minister should supervise all news items and pictures. I suggest, however, that the hon. member for York-Sunbury should not take himself too seriously. He should remember that the general public have ideas of their own, and they do not always agree with his political philosophy.

I had nothing to say against the press, although at times I see things printed which cause me some concern. However, one time I heard a man say that it is much better to worry about what one would say than to wonder why he said it. Sometimes that is the situation in connection with the press. At

times I wonder why some articles are printed. Nevertheless I have felt it my duty to draw attention to the attitude of the press.

I believe the hon. member of York-Sunbury has suggested that a censor should be a judicial officer. Well, we had a judicial officer in one high position, but he has deserted that position and returned to the ranks of his own political party, to act as chairman. Surely the argument should work both ways. What is sauce for the goose is sauce for the gander, and I suggest that the hon. member's argument is not sound.

I do not believe the people generally have suffered a great deal through the censorship regulations. We like to know some things when we should not know them. So far as our war effort is concerned, I believe, while we are making a good job of it, we would do well to suppress our desires for a time, and to accept the censorship regulations with as good grace as possible.

Mr. COLDWELL: Mr. Speaker—

Mr. GARDINER: In order that we may fully understand the rule to which the Chairman referred a few moments ago, I should like to say that the hon. member had a perfect right to read the editorial.

An hon. MEMBER: That is history.

The ACTING CHAIRMAN (Mr. McCann): There was a ruling given.

Mr. GARDINER: A ruling was not given, but the rule was read. I wish to read it again.

Mr. HANSON (York-Sunbury): What is the hon. member speaking on?

Mr. GARDINER: I do not think the hon. member got the right interpretation of the rule.

Mr. HANSON (York-Sunbury): Is there any point of order? What is before the Chair?

Mr. GARDINER: There is a point of order.

Mr. COLDWELL: I had the floor. I was on my feet, and a point of order has not been raised. The Chairman saw me.

Mr. GARDINER: I am raising again the point of order that was raised a few moments ago.

Mr. COLDWELL: Well, if the minister is raising a point of order—

Mr. GARDINER: I should like to have a decision upon it.

The ACTING CHAIRMAN (Mr. McCann): Order.

Mr. GARDINER: I think there was a misunderstanding at the time. It was taken for granted that the editorial could not be read. Paragraph 306 in Beauchesne's Parliamentary Rules and Forms says:

It is not in order to read articles—

Mr. HANSON (York-Sunbury): That was read.

Mr. GARDINER: And I am going to read it again. Apparently my hon. friend does not understand it.

Mr. HANSON (York-Sunbury): I understand it perfectly.

Mr. GARDINER: Well, the point was raised by the hon. member's seat-mate, who apparently does not understand it. The paragraph says:

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 the proceedings within the house.

I submit that this editorial, to which reference was made, has nothing to do with any of the matters mentioned in the paragraph.

Mr. MACKENZIE (Vancouver Centre): Absolutely.

Mr. GARDINER: And I should like a ruling upon it.

Mr. GRAYDON: It is the Chairman's job to interpret the rules, not that of the Minister of Agriculture.

Mr. MACKENZIE (Vancouver Centre): But the Minister of Agriculture can interpret what the situation is—and he can do it better than my hon. friend can.

Mr. GRAYDON: You always had a good opinion of your own ability.

Mr. GARDINER: I should like a ruling as to whether or not we have the right to read editorials which do not reflect upon members in the house.

Mr. GRAYDON: This is a debate which is past.

The ACTING CHAIRMAN (Mr. McCann): Does the hon. member for Rosetown-Biggar wish to speak to the point of order?

Mr. COLDWELL: No.

Mr. GRAYDON: He wishes to speak in the debate.

Mr. COLDWELL: Yes; I wish to speak to the item before the committee.

Mr. GARDINER: I should like a ruling on the point of order.

Mr. HANSON (York-Sunbury): There is no point of order in that.

Mr. ROWE: Is this a debate on a point of order

Mr. GARDINER: It was raised by your seat-mate.

Mr. GRAYDON: I suggest that we take the expert advice of the two ministers who have just spoken, and that we give consideration to it at another meeting of the committee —but not now.

Mr. MACKENZIE (Vancouver Centre): Speaking to the point of order: despite the attitude of superiority which my hon. friend the leader of the opposition has taken, I suggest that any hon. member at any time may raise a point of order, during any debate.

Mr. GRAYDON: If that is a point of order.

Mr. MACKENZIE (Vancouver Centre): The point is very obvious.

Mr. GRAYDON: The minister did not raise it.

Mr. MACKENZIE (Vancouver Centre): The hon. member who was speaking was endeavouring to read an editorial.

Mr. GRAYDON: He had sat down, and another speaker had started to speak.

Mr. MACKENZIE (Vancouver Centre): That has not anything to do with the matter. The leader of the opposition took objection, and the position now taken is that that objection was not well taken and that, according to the rules of the house, the hon. member for Brant is entitled to read the editorial.

Mr. MacNICOL: Suppose we get on with the business of the house.

Mr. ROWE: The government's great war effort!

Mr. MACKENZIE (Vancouver Centre): And who is helping?

Mr. WOOD: I am prepared to admit that—

Mr. COLDWELL: Mr. Chairman—

Mr. HANSON (York-Sunbury): Who has the floor?

Mr. WOOD: I am speaking to the point of order.

The ACTING CHAIRMAN (Mr. McCann): Order.

Mr. COLDWELL: If the point of order is being discussed, all right; but I do not wish the Chair to give the hon. member an opportunity to make a new speech.

The ACTING CHAIRMAN (Mr. McCann): The hon. member for Brant is speaking to the point of order. He is the one who is primarily interested in this matter. When he has spoken to the point of order, the Chair will give its ruling.

Mr. ROWE: Is this debate on a point of order?

Mr. MACKENZIE (Vancouver Centre): Certainly; that is always done.

Mr. ROWE: That is unparliamentary.

Mr. MACKENZIE (Vancouver Centre): Oh, no.

Mr. ROWE: Not after a decision has been given?

Mr. GARDINER: A decision has not been given.

Mr. WOOD: I have always been treated with the greatest courtesy by the committee, and I have never tried to encroach upon the good will of hon. members. I am prepared to admit that I am somewhat shy when I stand before this august gathering, particularly when my right to speak is challenged. The hon. member has been reasonably successful in exploding a good deal of the material I wish to convey to the committee.

Mr. HANSON (York-Sunbury): This is not on the point of order; it is another speech.

Mr. WOOD: I did not express myself as I should have liked to. My purpose in attempting to read the editorial was to convey the thought contained therein in language better than I was able to use. I am prepared almost to admit that it has been successful to a certain degree in excluding argument. I should like to have your ruling, Mr. Chairman, whether I may quote an article which does reflect upon members of parliament and speaks of the least desirable group of members of parliament.

The ACTING CHAIRMAN (Mr. McCann): Does the hon. member wish to quote the article?

Mr. HANSON (York-Sunbury): Not if it reflects upon members of parliament.

The ACTING CHAIRMAN (Mr. McCann): The point raised is a hypothetical one and does not call for any decision. If the hon. member had proceeded to read the article I could have decided whether it was in order.

Mr. COLDWELL: If the point of order is decided, Mr. Chairman, I wish to discuss the question of censorship briefly. The hon. member for York-Sunbury is quite right. I have had letters opened in the past, I must say not

lately, although my hon. friend the member for Cape Breton South has had two letters addressed to him from his constituency opened recently, and one of them contained a little note from the Post Office Department saying that it had been opened by the censor in error. The other, he tells me, had no note with it or upon it at all.

Mr. LaFLECHE: Where was it mailed from?

Mr. GILLIS: From Sydney, Nova Scotia.

Mr. COLDWELL: I am not going to complain particularly of the manner in which the censorship has been operated by the censors. I believe we have to have censorship during the war. The safety of the state sometimes demands it. But I would be absolutely opposed to any kind of censorship in peace time. I agree with the hon. member for York-Sunbury that any letters which are opened by the censor ought not to be copied or passed on to any department. I have definite knowledge that one letter I wrote was copied and forwarded to department. I happened to find out about it because an official thanked me for a letter that I had written to an individual and told me that it was a very good letter. Then I took it upon myself to forward the letter to which my letter was a reply so that his file and my file might be complete. My letter was addressed to a man whose mail was being watched, so that I think the censorship was justified in opening the letter. But it was copied and sent to a department, and that should not have been done.

Mr. HANSON (York-Sunbury): We are all watched.

Mr. COLDWELL: I do not know whether we are or not. I want to say this, too. When we talk about a free press in this country, let us make up our minds that we have not a free press to-day.

Mr. GARDINER: They are pretty free in what they say about most of us.

Mr. HANSON (York-Sunbury): I think so.

Mr. COLDWELL: Some of our papers operate as a free press; there is no question that most of them do. But I could name papers that do not. The Montreal *Star,* for example, one of the great papers of this country, will neither publish a report of anything that one political party in this country says outside this house nor take its advertising. Another paper in the province of Quebec that I could mention, *L'Action Catholique,* does exactly the same. That is not a free press. I can understand a party press confining its columns to its party. In Saskatchewan there is the Saskatchewan *Liberal.* I do not know where they get the paper to publish this little sheet, which circulates in the thousands. I would not expect to see in the Saskatchewan *Liberal* a speech of mine published correctly, but that is a Liberal party press. My complaint is against some members of the daily press, which is maintained by the public through subscriptions, and by national advertising. Allegedly, we have a free press in this country, but it is not a free press when we have papers with such a wide circulation as the Montreal *Star* refusing to publish reports of speeches made by members of one particular party and refusing its advertising. That is the worst kind of financial and economic censorship. So that when we talk of a free press, let us bear in mind that there are exceptions. But in the main the press of this country is a fair and a free press, and I say that very readily.

Mr. GRAYDON: The Montreal *Star* and *L'Action Catholique* are very highly thought of.

Mr. COLDWELL: By some people, but I have nothing but contempt for papers which operate allegedly as a free press and then refuse to be free.

Mr. HANSON (York-Sunbury): They published reports of your speech in parliament last Monday.

Mr. COLDWELL: Did they really? I know they have refused our advertising.

An hon. MEMBER: They refused to take your money?

Mr. COLDWELL: Exactly.

Mr. ROWE: They may not be able to get enough paper.

Mr. HANSON (York-Sunbury): They integrated your speech with mine, so that when I got through I did not know which was yours and which was mine.

Mr. COLDWELL: That is probably too bad for both of us. I think that as soon as we can discontinue any form of censorship whatsoever it should be discontinued. In the meantime I believe that the policy of the censor and of the department that letters by members of parliament should not be opened is a sound one, and when they are opened inadvertently I think an explanation should be made, as was made in one of the two cases in which letters of the member for Cape Breton South were opened.

Mr. LaFLECHE: An explanation was made?

Mr. COLDWELL: Yes, in one case.

Mr. HANSON (York-Sunbury): What about letters by members of parliament?

Mr. COLDWELL: I think it is worse if they are opened, but I have no knowledge of the opening of letters other than the one I mentioned, written by members of parliament to other people.

So far as the personnel of the censorship branch is concerned, I have confidence in the men who are operating it. I think that gentleman who was named a few moments ago by the hon. member for York-Sunbury and who has a wide journalistic experience, can give fair consideration to matters of censorship, even although he does not belong to a political party to which either the hon. member for York-Sunbury or myself belongs. We have to give credit for breadth of view and fairness sometimes to people who are not associated with us politically and yet occupy positions of trust, and I am prepared to do that in this case.

Mr. REID: Following the remarks of the member for Rosetown-Biggar who has dealt at considerable length with the question of the freedom of the press, I should like to point out to him and this committee the state of affairs that existed in British Columbia. I am not holding him to account for it because I know he has no control over the group of men belonging to his party out there. But in British Columbia we had intimidation of the press by members of the hon. member's party.

Mr. COLDWELL: Read the Saskatchewan *Liberal* and see what they say.

Mr. REID: Wait till you hear this, and then if there is anything worse I should like to hear it. They went to the newspapers in the Fraser Valley and told them that in their party they had so many subscribers to these different papers, and they said, "If you do not give us an extremely good break we will withdraw all these subscriptions of our adherents."

Mr. GRAYDON: That is pretty nearly blackmail.

Mr. REID: It was serious enough. In Vancouver, the *Sun,* the *Province* and the *News-Herald* were informed that if they were not kindly—not kindly from my point of view but entirely from their point of view—these subscriptions would be withdrawn from those papers.

Mr. COLDWELL: Does the hon. gentleman know that of his own knowledge?

Mr. REID: I know it of my own knowledge so far as the local papers are concerned, and I can tell you this. I have not made any statement in the house but what I can prove. You look over my record in the house, and if you can match it you are going some. I shall probably have more to say this session before I am through about followers of the hon. member's party in British Columbia, regarding intimidation. I know the hon. member is not to blame, because he has no control over these leaders in British Columbia.

Mr. GRAYDON: They are really two parties.

Mr. REID: The hon. member has tried soft-soaping some of them before now, but he has not been successful. I tell members of this committee that intimidation from that quarter is to me just as dastardly as any financial control such as the leader of the C.C.F. mentioned a few moments ago.

Mr. HLYNKA: If hon. members have disposed of the political aspect of this item, I should like to make a few observations concerning censorship. There cannot be two views as to the need of censorship during war time, but there may be differences of opinion as to the type we should have and the degree to which it should be applied. There are two kinds of censorship, the voluntary, and the official type which is governed by regulations. I do not believe that voluntary censorship can work; in my opinion it is no censorship at all. Some people could not keep a secret if they tried. Others have varying opinions as to what is secret and what is not. Then, of course, judgment varies among the various individuals engaged in newspaper work or other types of work in connection with this matter. For instance, a conscientious and cautious editor would leave out a story, whereas an aggressive editor would take chances and dramatize the report to the advantage of his own newspaper. So that there is a definite need of official censorship in time of war, whether it has to do with newspapers, radio, or mail. Official censorship makes for uniformity and consistency.

But, as I said, we should seriously consider how far we should go. My criticism of the government's policy is that there are too many instances of undignified and at times perhaps abusive censorship. Examples have been related to the committee this afternoon. We all know of instances where the mail of members of parliament was opened. Of course that sort of thing should not be permitted.

My other objection is that certain information is refused to hon. members and is later given to the press. We are somewhat at a loss to know what to tell our constituents; we know so little about the policies or intentions of the government that it is not infrequent that the

public gets the information before members of parliament do. Also certain information is denied to hon. members, and when we get out to our own constituencies we find that the people already know what we should have known, either through announcements in this chamber or by statements issued to us from time to time. Speaking broadly, it is proper to withhold information which, if disclosed, would have a bad effect on the morale of our troops or the people at home. Information about troops, ships and plane movements should also be withheld and censored. Information concerning strategy and diplomacy should be censored. Information which does not in any way endanger the safety of the state, however, should not be denied.

I have two questions to ask the minister. In the first place I have been informed, whether correctly I do not know, that there are employed in the censorship bureau in Ottawa a number of persons who have not as yet obtained their naturalization certificates; in other words, they are not Canadians and yet they are entrusted with the examination and checking of the mail of Canadians. My second question is, is the minister aware that news cables are being transmitted via New York from Moscow to be published in certain Canadian newspapers? Is there an arrangement in effect between Canadian news agencies and agencies in Moscow? I have seen some of these cables published in Canadian papers. I have seen also copies of such cables. It seems rather strange that a country, even though one of our allies, can send cables to be published in newspapers in another country. How does that come about? I cannot understand what is the purpose behind it.

Mr. REID: The hon. member complains that there are men in this country censoring letters who are not Canadian citizens. I would ask him what he would have done in the province of British Columbia, where we have no Canadians of non-Japanese origin who can read the Japanese language; what would he do as regards the censoring of the letters of Japanese? There are men coming from Great Britain to do that. What would he do?

Mr. HOMUTH: If we had done things right we would not have had any Japanese.

Mr. REID: That is true, but I did not get much support when I urged it years ago.

Mr. HLYNKA: I believe we should have our own men trained for service in such emergency. Had proper preparations been made, there would have been a supply of persons qualified to read these letters. Canada is a country in which many languages are spoken. We should have men who understand such languages, but if we have not, no one is to be blamed but ourselves.

I should like an answer to the two questions I directed to the minister, particularly the one with respect to cables sent from Moscow which are published in Canadian newspapers.

Mr. LaFLECHE: The question of the hon. member for Vegreville relates to cabled news items and articles. There are press associations or news services outside Canada furnishing information in order that Canadians may be well informed. It is not there that the danger might exist, if it did exist. It would be in the publication of that news. That leads me to say this about the press. There is a free press in Canada, and there is not the slightest intention, so far as the government is concerned, of making it less free or not free. I must also pay tribute to the people of the press, those of the fourth estate, for assisting in making it possible to have good censorship in Canada because of their cooperation. The people of the press do much toward censoring or exercising sound judgment in regard to matters that can be published, and to that extent they greatly assist censorship.

This brings me to the two gentlemen who have been named in this house earlier this afternoon. Mr. Eggleston was from 1933 to 1937 an independent journalist writing for newspapers of all persuasions.

Mr. REID: And he did a good job too.

Mr. LaFLECHE: From 1937 to 1939 he was secretary of the Rowell-Sirois commission and he went into censorship in the early stages of the war. I have, and all those concerned with him in censorship have, absolute confidence in this gentleman. As to M. Charpentier, he is doing a very heavy and an excellent job, and it is not fair to criticize civil servants who are honestly filling important positions. Again, it may be said that M. Charpentier enjoys the confidence of those who know him.

A question was raised by the hon. member for Vegreville about using the services of persons who are not Canadian citizens. This is the explanation. At a time when large numbers of freshly caught German prisoners were brought to Canada, there arose overnight the necessity of censoring mail matter addressed by such prisoners of war to a destination outside Canada. The civil service commission were approached and requisitioned for a number of persons properly qualified in the German language. It is to my knowledge that the commission made a nation-wide survey of the possibilities of finding competent persons in that language. They were obliged

to name a small number of persons who are thoroughly competent in German but who are not yet Canadian citizens. Those persons, however, were most thoroughly investigated; their past was looked into, and we have it on the authority of several competent individuals and bodies that they are reliable. It was only then that the civil service commission made the appointments. They could not find Canadian citizens properly qualified.

Mr. HOMUTH: There are fifty thousand Canadians of the second and third generation competent in the German language.

Mr. LaFLECHE: The civil service commission might have asked the hon. gentleman's advice.

Mr. HOMUTH: If you had, you would have got some who were worth while.

Mr. LaFLECHE: The German script is, I understand, the reason which makes the reading of the German language difficult. I trust this explanation is agreeable to the hon. member for Vegreville. I repeat, the civil service commission could find no other persons properly qualified. Those who were selected had to be taken because that mail matter has to be looked into. Prisoners of war are treated in conformity with certain international conventions. We cannot hold up their mail, but it is necessary to look into it carefully There is this point to be borne in mind, that the persons whom the hon. member for Vegreville has in mind censored mail originating with these prisoners of war only. They did not censor any mail matter or anything else originating with Canadian citizens.

Mr. GREEN: The amount for postal censorship is $1,515,260, which is an increase of almost $500,000 over the vote for the previous fiscal year. Why has there been that large increase?

Mr. LaFLECHE: That is due solely to the fact that we have fortunately very greatly increased the number of German prisoners of war held by us in Canada, and the service is one that is automatic. The amount of censorship must go up when there is a greater volume of mail originating in that quarter, and when the time comes that it will be no longer necessary to censor that mail matter the number of staff will drop immediately.

Mr. GREEN: Is that item entirely for the censoring of German mail?

Mr. LaFLECHE: The increased number of prisoners of war alone almost accounts for the increase in the vote.

Mr. GREEN: How many are on the staff of the censorship branch?

Mr. LaFLECHE: There are 878.

Mr. GREEN: How many were there a year ago?

Mr. LaFLECHE: There were 613.

Mr. GREEN: Will there be an increase in the staff?

Mr. LaFLECHE: There will be as and when we get a larger number of prisoners to hold in custody in this country. It is automatic. It must rise with the number of German prisoners—or Japs, if you like.

Mr. ROSS (St. Paul's): Under the minister's department is there any supervision of telephone conversations?

Mr. LaFLECHE: Yes, where it is necessary.

Mr. ROSS (St. Paul's): Are records made of conversations over the telephone—conversations of private individuals?

Mr. LaFLECHE: Not in the sense which I take it my hon. friend has in mind.

Mr. ROSS (St. Paul's): Does the minister know of any conversations that have been recorded?

Mr. LaFLECHE: I do not know of any single such conversation.

Mr. ROSS (St. Paul's): I do not know why, but there is one case I know of where private conversations have been recorded. I do not know why it is done. The practice of listening to private conversations over the telephone lines and the making of records of the conversations that have taken place should be very carefully looked into. I know of one instance where this happened. I am not going to give the name at the moment; but I do not know why there should be this supervision of the private lines. I think it might be interesting to the committee and to the country to know just how far the supervision of telephone conversation goes. We should like to know how it is done and a little more about it.

Mr. LaFLECHE: I should very much like to speak at length on the question, but if we were to give our methods to the enemies of our country, I am sure the hon. member for St. Paul's would the first to protest. I know it is my duty to give information to this committee and I want to do so. But might I try to reassure the hon. members of this committee by saying that such operations are carried out solely and for no other reason than the safety of the country. I think I can

safely go this far and say that such things as have been mentioned are not done unless there seems to be reason for doing it in a particular case. In other words, suspicion has been aroused. If my hon. friend or any other hon. member has misgivings and would care to give me some particulars I shall have the matter looked into, because I do not want anybody in this country attempting to ascertain information unless it is for the security of Canada.

Mr. ROSS (St. Paul's): I understand that the minister does not want to give away too much information, because it will disclose methods used; but is there necessity for the supervision of telephone conversations? Does the supervision come under the Royal Canadian Mounted Police, or under what department does it come? Who says that this man's telephone conversation should be censored or tapped, if you like to call it that? Does it come under the Royal Canadian Mounted Police or the military authorities?

Mr. LaFLECHE: I should like to suggest to the hon. member for St. Paul's that it is not in the national interest to give details of who might do this or that; but definitely those who originate the demand for such services are the security officers of Canada. They will be found centred in the armed forces.

Mr. ROSS (St. Paul's): I agree with the minister, but it is something that lends itself to abuse and can be abused. I think it should be carefully watched. I happen to know of one case and I cannot understand why that particular telephone line is tapped. That is why I brought this matter up in the committee. I agree with the minister that we must have some supervision over telephone lines because we are at war. I think we should guard carefully the way it is done to see that it is not abused and that it is not used for purposes other than security.

Mr. LaFLECHE: The hon. member for St. Paul's was good enough to agree with me in one respect. May I agree with him entirely when he says that such operations must not be abused? When I know of any possible abuse I shall see that a remedy is found for it immediately.

Item agreed to.

Censorship of publications, $135,355.

Mr. GILLIS: Would the minister give us some indication of the types of publications that come under censorship?

Mr. LaFLECHE: The censorship of publications differs in its organization from the other branches of censorship in that there are at the head of it three chief censors instead of only one. Of the three one is particularly concerned with English language publications, one with French language publications and one with radio broadcasts. Under an order made by the then Secretary of State on July 15, 1940, films generally are censored by the chairmen of the boards appointed by eight of the provinces for that purpose in accordance with directives issued by the chief censors of publications. The only province in respect of which this arrangement is not in force is Prince Edward Island, in which there is no provincial board of censors. With respect to certain films, for example, those prepared by the national film board, the chief censors of publications themselves are consulted. In regard to the press as such there is no restriction—and here is the answer—upon the freedom of the press as such; publishers, like all other individuals, are subject to the defence of Canada regulations, which forbid the communication of certain military information and certain subversive and other communications. There is also provision that newspapers and certain other printed documents must include the name of the individual responsible for their publication and that the Minister of National War Services may prevent or restrict the publication of documents he regards as prejudicial to the safety of the state or the efficient prosecution of the war. Generally that is the purpose of this particular division of censorship. I fear I did not grasp perfectly my hon. friend's question, but perhaps I did guess at it correctly and answer it correctly.

Mr. GILLIS: Yes; you answered it thoroughly.

Item agreed to.

Canadian Broadcasting Corporation—short-wave station, $150,000.

Mr. NICHOLSON: Would the minister make some statement regarding the short-wave broadcasting facilities on the west coast? Could he tell us how many short-wave broadcasting stations there are along the Pacific coast and whether any consideration has been given to establishing a short-wave station on Canada's west coast?

Mr. LaFLECHE: I am not certain that I have the exact meaning of my hon. friend's question. I recall that in another part of this building some mention was made a few days ago of the possibility that the Canadian Broadcasting Corporation would either recommend or construct a short-wave broadcasting station on the Pacific coast. I do not know

that any concrete action has as yet been taken in that connection. It seems to be in the mind of certain people, and, undoubtedly, if and when there is a development in that situation we shall, of course, hear something about it. As to the short-wave stations on the Canadian Pacific coast, there is none under Canadian control or in Canada.

Mr. NICHOLSON: Does the minister know how many there are in the United States?

Mr. LaFLECHE: I cannot say how many there are. I am informed that on the west coast of the United States they now have two short-wave stations and are building three more.

Mr. NICHOLSON: It would appear to me that in waging war in the Pacific the radio would be a very important instrument, and I should think Canada ought to be making plans to have radio facilities available so that the people in the Pacific will be able to hear the voice of Canada when we become more active in that theatre. Could the minister make some statement as to what plans are now under way with a view to making the voice of Canada heard in the Pacific?

Mr. LaFLECHE: I am not certain that there are many on the other side of the Pacific ocean who would understand the voice of Canada. However, our immediate problem is of course, winning the war, in the Pacific as well as in every other part of the globe. I am afraid that if I attempted to say very much on that point I might encroach upon the strategy of those who have the responsibility of fighting the enemy in the Pacific. To judge by allied successes in that area, due very largely to the United States navy, they seem to have the broadcasting situation well in hand. Canada has no islands in the Pacific ocean far from her shores. The United States has Hawaii and many others. I am afraid it will be necessary to await developments before Canada will be in a position to give consideration to that point, for civilian purposes. I am really speaking without having given the matter very serious consideration. All these would be matters of policy, to be brought down at a later date. I have done my best to answer my hon. friend, and, I hope, have given him some useful information.

Mr. NICHOLSON: If the United States have two stations on the west coast and are building three more it would seem that they attach a great deal of importance to the use of radio in the waging of modern war. Since Canada is at war with Japan it would seem that this is not a peace-time project but a matter of war strategy. The minister suggested that people in Asia might have difficulty in understanding the English language, but I should think it would be quite simple to have broadcasts in languages they would understand. I wonder if the minister can give us any information as to whether anything at all is being done with a view to having short-wave broadcasts sent from Canada to the people in the east.

Mr. LaFLECHE: This matter of short-wave broadcasting on the Pacific necessarily would be influenced by two major considerations. The first, of course, would be the war strategy, including war requirements; the second would be the need or demand for such stations for civilian purposes. The second factor is not one which ordinarily would be given much consideration during the war. The first consideration, that is, the necessity of doing everything possible to win the war, I am sure has received very careful consideration. I am not in a position to go into that matter, except to point out to my hon. friend that the allies are doing very well in the Pacific ocean.

Mr. GREEN: What would be the cost of a short-wave station on the Pacific?

Mr. LaFLECHE: The capital cost to put up the buildings and purchase the necessary equipment certainly would be well over a million dollars.

Mr. GREEN: What would be the yearly cost of operating the station?

Mr. LaFLECHE: I need not try to safeguard myself, of course, by saying it would depend upon the volume of operations, and that sort of thing. I think a fairly good estimate at this time would be about $350,000 a year, and I believe that would be on the low side.

Mr. GREEN: Have any steps been taken by the government to investigate the possibility of establishing a short-wave station on the Pacific?

Mr. LaFLECHE: The matter has received attention by the Canadian Broadcasting corporation.

Mr. NICHOLSON: If difficulty is experienced in getting the equipment to build a million dollar project, could the minister give us any information as to whether any attempt has been made to use available United States facilities in order to express our views?

Mr. LaFLECHE: I would not want it to be taken for granted that there has been proved to be any necessity for that at the moment; I do not think it would be right to take that

for granted. I have said this afternoon that the matter has received consideration, though I have not seen any particular report in connection with it. In regard to any necessary broadcasting from Canada to the far east, that has been done and can be done at any time through United States stations, I think particularly in San Francisco.

Mr. NICHOLSON: You are not using any facilities there now, I understand?

Mr. LaFLECHE: I have said that Canadian news is going out over United States Pacific coast short-wave stations.

Mr. MARSHALL: Two years ago the amount set aside for this type of work was the small sum of $10,000, and we are told that this allotment was not used. Last year the amount set aside was $640,000, whereas this year it is $150,000. Would the minister tell us how much of the 1943-44 allotment was used, and the type of work that was carried on?

Mr. LaFLECHE: If I may be permitted I should like to place on record a statement; it is not lengthy, but I think it will give much of the information required by the hon. member for Camrose, and if necessary I can supplement it.

Experimental broadcasting on a short-wave band began almost simultaneously with experimental broadcasts in Great Britain, the United States and Holland in 1926. The technical development progressed rapidly, and in 1932 the British Broadcasting Corporation inaugurated its empire service with a regularly scheduled service in English. The value of this new instrument of international communication was soon recognized, and the thirties saw a rapid growth of short-wave broadcasting, particularly from Europe. By 1937 fifty-eight countries were broadcasting on a short-wave band, on frequencies registered at Geneva. Certain bands in the spectrum were set aside at Geneva for short-wave broadcasting. The frequencies within these bands were chosen by the different countries on a first come, first served basis. The various countries then registered them at the International Telecommunication Bureau at Geneva.

Nazi Germany and Italy were the first countries to exploit short-wave as a weapon of offensive propaganda. Great Britain which had done a great deal of the pioneering in the short-wave field looked upon short-wave broadcasting primarily as a medium for the promotion of international good will, a philosophy well expressed in the motto of the British Broadcasting Corporation. "Nations shall speak peace unto nations." However, the tactics of the German propagandists forced Great Britain to take similar action, though it was not until January 3, 1938, that the first foreign language broadcast was carried by British Broadcasting Corporation.

By 1939 Great Britain was broadcasting a regular service in ten foreign languages. With the outbreak of war the British Broadcasting Corporation foreign service was, of course, increased tremendously. Many new high-powered transmitters were put into operation, and by 1941 the British Broadcasting corporation was broadcasting over several stations more than thirty hours a day in some forty-eight languages.

The development of short-wave broadcasting in the United States lagged considerably behind the service inaugurated by the publicly owned systems of Europe. However, when war broke out, the United States began far-reaching plans for the creation of a comprehensive system of high-powered short-wave transmitters. The short wave-transmitters operated by the American networks were taken over by the United States government through the office of war information. New transmitters were constructed as rapidly as possible, and soon the voice of America was heard in many languages on a large network of short-wave transmitters.

In September, 1942, the government of Canada approved the construction of an international short-wave station. The Canadian Broadcasting Corporation was instructed to proceed with the construction and operation of such a station as soon as possible. The demand for transmitting equipment was so great both in United States and United Kingdom that even with the high priorities granted Canada inevitable delay was encountered in procurement of equipment. However, considerable progress has been made and it is expected that the first beam will be in operation by perhaps September, 1944.

I do not mean by that an international service. The first beam may be in operation by next September. This is questionable, however; it might be a little later in the year.

The first estimates on the cost of the short-wave station submitted by the Canadian Broadcasting Corporation quoted a figure of $800,000 for the purchase and installation of two 50-kilowatt transmitters and the associated antenna system. This expenditure, chargeable to war appropriations, was approved. Owing to changes in design and construction, the result of recent improvements in radio techniques, making for greater efficiency in short-wave transmissions, and owing to the increase in costs of fabrication and construction, it is now estimated that

the required transmitters, antenna, associated equipment and construction will involve an additional capital expenditure of $300,000, making a total estimated cost of $1,100,000.

Most of this increased cost is for a new and more elaborate antenna system which it is expected will have the result of providing a signal equal to that which would have been provided by transmitters four times the power operating on the type of antenna originally considered.

I think the hon. member for Camrose had in mind that in the first year the sum of $10,000 was asked for. Undoubtedly that was for preliminary investigation. Last year the house voted $650,000. It was considered at that time that not more than that amount could be expended in the fiscal year 1943-44. I now ask for $150,000. When the estimates were prepared the officials of the Canadian Broadcasting Corporation thought that amount would be sufficient to cover what they could do. It may be necessary for me to ask the government to bring down a supplementary estimate, if experience proves that the cost will be considerably higher than the original estimate of $800,000. If it is possible to let contracts, arrange construction, obtain equipment, antenna and transmitters we shall have to pay for them.

Mr. MARSHALL: Is it fair to say that instead of spending about $640,000, we spent about twice that amount in the last year. In the minister's remarks he said that the actual cost of the apparatus was in the neighbourhood of $1,100,000. That is far in excess of the $640,000 asked for last year.

Mr. LaFLECHE: The amount of $1,100,000 was a revised estimate of the cost. The expenditure is an entirely different matter. The total budget must be in the neighbourhood of $1,100,000.

Mr. GREEN: Would the minister give further consideration to the possibility of establishing a short-wave station on the Pacific coast? It would be very beneficial in connection with communications between Canada and Australia and New Zealand. I believe it is only a question of time until Canadian war ships and Canadian troops will be in operation at some point in the Pacific. It would be helpful if the station were established by the time our forces reach that theatre. Would the minister have his officials give further consideration to the possibility of establishing a short-wave station on the Pacific coast? There will have to be one sooner or later; it would also be a great help in peace time.

Mr. LaFLECHE: I shall gladly look into the matter, but may I point out to the hon. member that it is confidently expected that the new station at Sackville, to be in operation this fall, will reach as far as Australia. That does not mean to say, however, that there is no value in the suggestion that we watch the situation carefully. I have already explained to the committee that the Canadian Broadcasting Corporation is studying the matter, and I shall see that it is followed up.

Mr. ROSS (St. Paul's): Why was Sackville selected as the location for the station?

Mr. LaFLECHE: It was selected for technical reasons. In connection with broadcasting the topographical features, and all that lies beneath the surface of the earth must be considered. Those factors have a great bearing upon the receptive or sending qualities of a particular district.

Mr. ROSS (St. Paul's): I brought this matter up in the house two years ago. Now we find we are faced with these extra expenditures—at least half a million dollars more than we would have had to spend, had the station been erected two years ago when it was pressed for by the opposition. At that time the Minister of Transport had many different figures as to what the station would cost. At one time he told us it would cost $2,500,000, and at another time $1,500,000. Now we know what it is; and I certainly think the delayed action on short-wave broadcasting has cost the government and people of Canada an extra half-million dollars.

Mr. LaFLECHE: I did not hear it or understand it quite like that. I do not think they could have done it in less time; I am convinced of that. I have spoken to officials and to manufacturers of equipment, and most of the difficulty lies in getting the necessary equipment.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. HANSELL: Mr. Chairman, something was said this afternoon about the short-wave radio station now being built, and some of the questions asked would seem to indicate that perhaps the broadcasting corporation had not done all it could in one way or another. I think that under existing conditions, with the lack of materials and equipment owing to the war, the Canadian Broadcasting Corporation has done a marvellous job in bringing

this short-wave station to the point where it may soon be in operation. I understand that because of the shortage of materials, the technicians of the corporation have had to build certain parts of this station themselves. Realizing as some of us do the tremendous job involved in building a short-wave radio broadcasting station, I think we should compliment the officials of the Canadian Broadcasting Corporation and the minister, under whose department this corporation comes, upon the job they have done so far.

I wonder if hon. members realize the purpose of this short-wave station? I fancy the main purpose will be to tell the rest of the world something about Canada, in a word to sell Canada to the rest of the world. It can be used by the Department of Trade and Commerce, the Department of External Affairs and other departments of government. Taking all these things into consideration, I believe this short-wave station will be a great asset to Canada. While it may appear that we are spending a lot of money, I think it is money well spent.

I referred a moment ago to the purpose of this short-wave station being to tell the rest of the world about Canada. We all know that someone must write what is sent over the air. That is done in connection with our radio at home and it certainly will have to be done with respect to the short-wave station. The messages that go over this station should be of such a nature as to sell Canada to the rest of the world. I mention this because I fear that the broadcasters may eventually find themselves in a position where they will be compelled to accept manuscripts from certain people or organizations.

I have always believed in collective bargaining. I have always believed that men should have the privilege to get together in order to be able to fight for their rights. But if the time should come when we would have such a thing as a writers' union so strong that all articles for press or radio would have to pass through its hands, then I suggest that such an organization would be able to control the thinking of the nation. I am not suggesting that there is such a thing as a writers' union.

An hon. MEMBER: There is.

Mr. HANSELL: My hon. friend mentions that there is such a thing as a writers' union. If that is so, then I suggest that we should be very much on our guard with respect to the type of material that comes forth from such an organization. I can quite understand how a union would be organized to protect the rights of writers, to see that they are adequately paid and so forth, but I should not like to see the day come when one type of thinking only would come from the pens of our Canadian writers.

The minister may be aware that there is an organization in Canada known as the united front—I do not know if that is part of the name—" writers, broadcasters and artists war council," which organization I understand has a communist as its secretary. This man has organized several branches and has brought into the organization some notable communists. I do not know if this is the same organization as the one known as " Writers, Artists, Broadcasters and Musicians Council, Incorporated," but if it is I suggest that they seek to protect themselves lest they become permeated with some one type of thought that will absolutely rule the roost.

I know the Minister of National War Services is a distinguished Canadian. I think he is one of Canada's great men, a man with a distinguished career. I am sure he desires to protect Canadians and the Canadian way of life, but I deplore some of the propaganda which is put over in Canada to-day. When I said I hoped that the short-wave station would sell Canada to the rest of the world, I implied that I hoped it would not sell Canada out to the rest of the world. I see grave danger in that direction, and I ask the minister to pay all possible attention to this matter in order that by this agency the Canadian way of life may be sustained and improved. In times gone by it has not been all that we wanted it to be. Nevertheles there are in our democracy many great virtues, which I should be sorry to see imperilled or impaired.

While I shall be criticized in some places for bringing this matter to the attention of the minister and parliament, I deem it proper to refer to the fact that already this writers' union, the Writers', Artists', Broadcasters' and Musicians' Council, Incorporated, have " regretted exceedingly " any reference made by " irresponsible parties " in parliament to communist writers. If a man is to be named an irresponsible individual because he warns Canada and warns parliament, we have come to a pretty pass. It is a duty of every member of this parliament to protect the welfare of Canada and Canadians, and there is no justification for assailing his integrity and sincerity because what he says does not suit some particular organization. I do not know why I am not entitled to demand some sort of investigation along that line.

In closing, I would impress on the minister that our short-wave radio station will probably be one of the most powerful of Canada's media of propaganda and dissemination of information to the rest of the world. I trust that the

messages which go over that station will truly reflect to the world at large what sort of a nation we have, and call upon every one of us to do what we can to make this nation worthy of world publicity. The people of Canada are paying for this short-wave station; they are also paying into the dominion treasury some $3,500,000 in licence fees, and it is not well that they should pay these large sums only to find in the end that they have been "sold out." I know the minister is just as anxious as anyone to have our democratic way of life protected. I am sure he will find every member of parliament supporting his efforts in that respect.

Mr. HLYNKA: I should like to ask the minister a question on this item. As he knows, immediately after the outbreak of war this government by order in council banned all foreign languages from the air. Has the government given any consideration to lifting this restriction? If not, will such consideration be given to language groups in the near future? I have in mind such groups as the Ukrainians, the Poles and others. As the regulations stand, no foreign language can be used on the air except when one of the government departments sponsors the programme. I cannot see why I should not be permitted to speak to some of my older Ukrainian constituents in the Ukrainian language. If I should not I should like to know why.

Mr. LaFLECHE: The hon. member has brought up a point which has been under consideration for some considerable time. I think he will agree with my observation that there is an easing of the situation in this regard; there seems to be a decrease in the severity of outlook on the part of certain sections of the country. I believe it is now possible under certain circumstances to broadcast in languages other than English or French. At the moment I have not at hand the full details, but I understand that some provision has been made for that, although perhaps not on a very wide scale. I think that something like that is possible. I venture to believe that the question raised by the hon. member for Vegreville will continue to receive careful consideration in another quarter where matters having to do with radio broadcasting are under study at the present time.

As regards the observations of the hon. member for Macleod, he will be pleased to learn that there is now in training a small staff to make certain that the new short-wave broadcasting station at Sackville, New Brunswick, will get off to a good start, that we shall be ready for operations when the station is ready for inauguration.

I am not familiar with the circumstances referred to by the hon. member in his remarks concerning the members of some writers' union. But, in general relation to such things as that, I suggest that Canadians as a whole will see to it that the new broadcasting station is not abused, and if it were, there would be a quick, immediate reaction which would take to task the guilty person. What my hon. friend has said is, I am sure, well said in its generalities. I think he can have confidence in the watchfulness of the minister and of public opinion to ensure that nothing untoward shall occur.

Mr. REID: One question with regard to the short-wave staion: will it be powerful enough so that short-wave receiving sets in British Columbia will be able to receive it? I say that because there is not another province where the people are paying more and getting less from the Canadian Broadcasting Corporation than the people on the Pacific coast. That so happens because the mountains are not conducive to speeches and programmes going over the air. Those who live on the Pacific coast know perfectly well that most of our programmes there are obtained from the United States, and we have long felt that we have a grievance in being called upon to pay $2.50 when we are limited to a radius of some eighty miles or so. If you had the most powerful radio station in Vancouver it would not get past the mountains. There are some parts of British Columbia where radio will not travel more than sixty miles. Will this short-wave station be powerful enough to meet all requirements? I urge that we have one on the Pacific coast so that we may be enabled to enjoy some of these programmes.

May I say one word with regard to the observations of the hon. member for Vegreville. He has championed the right of people to speak to those of a particular group in their own language. I am one of those who take strong exception to the tendency to build up in this country various foreign groups, representing different races with different languages. If we do not watch what we are doing, I suggest that we are in danger of having another continent of Europe here. I firmly believe that the fewer languages there are in the world, the more closely will people come together. In my district we have people from the old country—and when I say the old country I include Great Britain, Ireland and Scotland—

Mr. GRAYDON: And Wales.

Mr. REID: Yes, and Wales; I thank my hon. friend for reminding me, because they are Celts after all. I should not like to cut off people who come here from their native language, but when one finds people who have been in the country thirty, thirty-five and

forty years stating quite frankly, in broken English, "Well, I speak Russian", or "I speak Polish", and so on, it seems to me that there is something wrong. The object of language is to enable us to understand one another. That is what speech is for, and I say without fear of contradiction that if this is a good land to live in it is a good land the language of which to learn. I am not saying anything against the older groups who come here, but I do not think we should encourage the practice of building up a little Ukraine, or Poland or Russia in this country. I am against that kind of thing. The more languages you have, the more trouble there will be.

However, what I rose particularly to ask the minister is this: What about a short-wave radio for British Columbia?

Mr. ROSS (Souris): What about Gaelic?

Mr. GRAYDON: There is no answer to that.

Mr. LaFLECHE: It would be unfortunate if, as a result of the establishment of a new short-wave station in one province, each of the other provinces also asked for one. For the immediate present, it will satisfy my hon. friend the member for New Westminster to know I am informed that the new station at Sackville, it is hoped, will reach the residents of British Columbia, though it will be necessary, I am told, to use a particular beam for that purpose. The authorities have it in mind and I can only give him that information, which I hope will turn out to be correct.

Mr. REID: What about cutting our fees in half, seeing that we get only half a radio?

Mr. LaFLECHE: I am sure that at $2.50 per licence the inhabitants of British Columbia are getting a fine programme at very little cost. It works out at five cents a week.

Mr. REID: I am not so optimistic as the minister.

Mr. HANSON (Skeena): I wish to say a few words on behalf of the inhabitants of northern British Columbia. We cannot get any reception except from the United States and Alaska. The broadcasting corporation two years ago built a line from Vancouver through the Cariboo up to Prince George. When they reach Prince George, however, they have not served the population in the northern section of British Columbia. The reason why they stopped there, we were told, was that the line between Prince George and Prince Rupert, which is 500 miles, was used by the militia. About three months ago the militia released two wires, and I have asked the broadcasting corporation to connect Prince Rupert, where there is a considerable population to be served, with the ground line. I have been told that owing to the expense this cannot be done. For the information of the minister I may say that they spent $50,000 to reach Prince George, where they had not much of a population to serve, and the rent of the ground wires to complete the connection will cost about $15,000 or $20,000 a year. I cannot see why they should stop at Prince George, before they reach the bulk of the population, and now that the facilities are there to enable them to extend the service to the population in the northern section of British Columbia they do not carry out this work because it will cost $15,000 or $20,000. I should like the minister to look into this matter. I have approached the chairman of the corporation and it seems that for the matter of a few thousand they cannot reach that population. We cannot get any outside service at all. This is a matter that the minister should look into. We have in the vicinity of Prince Rupert a population of 40,000 and the money that has been spent to reach Prince George serves only about 10,000, if that many. I cannot see any sense in connecting up the ground wires through a part of the country where there are no people and stopping short of the population that should be served. I would ask the minister to take this matter seriously into consideration.

Mr. LaFLECHE: I shall certainly see to it. I may be permitted to recall that special action was taken in regard to that part of British Columbia which is so dear to the heart of the hon. member for Skeena. His observations will be looked into.

Mr. GRAYDON: I should not say, perhaps, that I am out of order in discussing the matters which have been spoken to by others in reference to this item. I believe this has to do only with a short-wave broadcasting station and all those who have spoken about other matters are out of order. That being so, I am courageous in following them. However, I should like briefly to make three suggestions to the minister. I will not ask him to answer any questions because that might start a lengthy debate and I do not wish to bring that about.

First of all I wish to support the hon. member for Skeena in what he has said. I know something of the situation in that part of the country which I learned in the brief time in which I visited the Prince Rupert territory a year and a half ago, and therefore I add my voice to what he has said about the poor reception facilities in that important metropolis. May I say further to the minister in all seriousness with every bit of emphasis

that I can summon: Do not allow the question of the permanent chairmanship and permanent general managership of the corporation to stand any longer. I have been attempting to impress upon the house and the government the necessity of this ever since the session started. I hope that in the interests of our national radio set-up the minister will not allow the delay to continue any longer. I shall not ask the minister when the new general manager and the new chairman will be appointed, but I trust that whatever is done it will be done quickly.

The third matter I should like to mention has to do with the commercial revenue of the Canadian Broadcasting Corporation. That revenue has increased from the $500,000, which was mentioned by the Minister of Munitions and Supply when radio came under his jurisdiction, to a top figure of $1,204,000. I am speaking only from memory, but I think my memory is correct on this point. In view of the fact that this revenue has broken through the ceiling which was mentioned by the minister, there is now a very good case for a review of this question by the minister with the object in mind of abolishing, if necessary, the radio licence fee. I do not say that in any desire to embarrass the minister, but the fee is a difficult one to collect.

The Canadian people are concerned about the number of demands for money at this time. The average person on the payrolls to-day is absolutely amazed at what he and his employer have to go through with respect to the various taxes that come off his salary. After those taxes have been collected it is very difficult for him to figure out what is left. The radio fee is another item. It is a small fee, it is true. What the minister said in his answer to the hon. member for New Westminster may in his own mind be appropriate, but I think there is a growing feeling throughout the country that either the radio corporation should bring its revenue into line with the revenue which the minister envisaged in the first place, or it should review the whole position with respect to radio licence fees.

As I say, I have no desire to inject anything that would be of a controversial nature at this time because I am as anxious as the minister to see this item carry as quickly as possible.

Mr. MacNICOL: I should like to ask a question. If this question is not in order the minister does not need to answer it. What is the radius of the Watrous station?

Mr. LaFLECHE: I am extremely sorry, but the officials have not the detailed information which would permit me to give a correct answer. It is a 50-kilowatt station and therefore of high power and should reach very far, depending, of course, upon the receptive conditions in various parts of the country which it serves. I can get the information and should be very happy to do so if the hon. member wishes.

Mr. CASTLEDEN: It is a very good station.

Mr. MacNICOL: Does it serve right down to the Arctic ocean?

Mr. LaFLECHE: It is believed that it does. I think the best thing for me to do is to get the proper information and give it to my hon. friend, if he wishes.

Item agreed to.

National Film Board—revolving fund for purchase of supplies, special war film library, $40,000.

Mr. NOSEWORTHY: Would the minister care to give the committee a report on the work of the national film board? I am particularly interested in the work of the board because of its educational features. According to the act which set up the board in 1939 the commissioner is appointed to give advice upon:

> . . . making and distributing of national films designed to help Canadians in all parts of Canada to understand the ways of living and the problems of Canadians in other parts; coordinate national and departmental film activities in consultation with the board and the several departments and branches of government work.

Will the minister tell us what other branches or departments of government make films and the relation of those departments to the national film board? To what extent does the national film board direct or correlate the work of other departments, and what other departments are interested in making, distributing and showing films?

I understand that the film board now has an extensive theatrical programme. I think there are three series of a theatrical nature, namely, "Canada Carries On", "World in Action", and a series of news items and news strips. Will the minister tell us something about these series and the number of audiences to which they are shown, if he has the information; the countries in which they are displayed and the languages used?

In the non-theatrical field I understand that the board produces films covering a large number of subjects. Could the minister tell us something of the variety of subjects with which the film board is concerned in the non-theatrical field, the languages in which those films are produced and the extent to which

they are shown? I see that the sum of $845,000 is included in four items for this board. I presume that is chiefly for war purposes.

Mr. LaFLECHE: Entirely.

Mr. NOSEWORTHY: I find that there is a sum of $678,000 odd in the minister's civil estimates. I hope that when the time comes the board will no longer be required to devote its efforts to war; that not only the amount now available in the civil estimates will be expended but that we may be able to spend the amount which we are now spending on war to extend more cultural education to our people in peace time. There are many fields in which the board could operate, particularly in the immediate post-war period. There are many ways in which films can help with our rehabilitation programme. I am particularly anxious to see the film board take a much broader and more active part in the educational programme conducted in the schools throughout the land. I know that in that field we immediately run up against provincial prejudices. The minister has already pointed out the work that has been done by the armed forces educational programme and that it has gone far toward coordinating the educational work done in the different provinces. It has done something to stabilize education. I feel that there is an enormous field here for the national film board in the post-war period, just as there is in the field of adult education and in the field of agriculture. I would suggest to the minister that when the time comes for this board to divert its attention from war-time to peace-time activities consideration be given to some more permanent organization. It has been suggested to me, for instance, that the board be incorporated as a crown company, assisted by a grant from the treasury and managed by a board of directors on which the government, labour, farm organizations, educational associations and so on could have representation, in order that we may be able to make much greater use of the work of this board, which has been doing so well in this field up to the present time.

Mr. LaFLECHE: Of course we are now discussing items which come under the war appropriation and not items dealing with what are ordinarily termed civilian activities. The figures with regard to audiences are very interesting. As an example I would point out that about two million persons in Canada see each issue of the series called "World in Action". About two and a quarter million people in Canada see the "Canada Carries On" series. Non-theatrical films in Canada have an average audience of about a quarter of a million persons a month in the factories, and about 350,000 a month in the rural districts. "World in Action" films are shown in upwards of five thousand theatres in the United States. May I be permitted to place on record a brief yet fairly illustrative statement in regard to the activities of the national film board.

During 1943-44, as in previous years since the outbreak of war, the board has devoted a great part of its energies to the service of war departments of the government, and to a continuation of its own very extensive work in the field of wartime information. On the production side, among the departments which the national film board has served extensively are the three departments of national defence, the Department of Munitions and Supply, the national war finance committee, the wartime prices and trade board, the wartime information board and the Department of Labour. Its own programme of war information in the film field includes a continuation on a regular monthly basis of the two series of twenty-minute films issued under the general titles, "Canada Carries On" and "World in Action." These two series have achieved a remarkably wide theatrical distribution in Canada and abroad, and have earned for the national film board an enviable reputation for excellence in its field. Among the subjects issued in the "Canada Carries On" series during the past year have ben such pictures as "Up from the Ranks," "Train Busters," "Target Berlin," "Proudly She Marches," "Coal Face Canada," "Look to the North" and "Thought for Food." The "World in Action" series has included films on "Labour Front," "The War for Men's Minds," "The Fighting Dutch," "The Gates of Italy," "The Battle of Europe" and "Our Northern Neighbour." In additon to the two series I have mentioned, the national film board has continued its extensive service of Canadian pictures to newsreels published throughout the world, and the record in respect of the publication of these stories is a very impressive one. Apart from the French language versions of the "World in Action" and "Canada Carries On" series, a regular service of "Reportages" on matters connected with the war is maintained to French language theatres throughout the province of Quebec.

The distribution systems which have been established for the exhibition of films produced by the national film board and by others among our allies are no less impressive than the production record. The rural circuits, so-called, now serve on a monthly basis some 1,600 communities in the rural areas of Canada with programmes closely related to Canada's war effort, directed particularly, so far as interest is concerned, to agricultural audiences.

The industrial circuits reach more than 1,000 factories every month and, in collaboration with the various labour organizations and the workers' educational association, an extensive service to trade unions is maintained. This is in addition to the extensive film library system which is maintained in collaboration with local authorities throughout the country to serve audiences of every sort.

In the foreign field there has also been a gratifying extension of our distribution activity. The "World in Action" series continues to be distributed widely throughout the United States, the United Kingdom, Australasia and many other countries, and certain subjects in the "Canada Carries On" series considered suitable for international distribution have secured wide circulation in the United States, the United Kingdom, Australia and elsewhere. The newsreel stories released by the film board to newsreel editors have been issued throughout the world.

Early in 1943 the national film board assumed certain functions in relation to the production and distribution of still pictures which had formerly been performed by the wartime information board. This service has been continued and extended with highly satisfactory results in respect particularly of the distribution of still pictures in Canada and the United States. The work of the graphics division stills of the national film board has been considerably extended in response to the requirements of the armed services and other war departments. Services in respect of lay-out of publications, the preparation of photographic exhibits for educational and other purposes and the production of instructional film strips are now available at the national film board to all departments of government requiring these services. They are all being extensively used.

This is a very brief review of the board's activity, but it is enough, I think, to indicate that the work of the board is carried on with imagination and vitality.

Mr. ROWE: Does the film board collect any revenue, other than the estimates now before us?

Mr. LaFLECHE: The board does receive some revenue; the figure I have before me as the revenue from films last year is about $123,000. I trust that is the information sought by my hon. friend.

Mr. ROWE: Has the film board any private contracts with other companies for any service outside? Does it receive revenue?

Mr. LaFLECHE: The national film board does not produce film for other film companies. In that sense it is not in commercial production.

Mr. ROWE: Does it receive revenue from other departments of government?

Mr. LaFLECHE: Yes. Now I understand the information the hon. member requires. The national film board does a very great deal of work for other departments of government.

Mr. ROWE: What amount of work?

Mr. LaFLECHE: To begin with, it is the only producer of film in the government, with the possible exception of a very small occasional operation in one other department. That operation does not amount to very much. With that one exception all the old departmental activities in the film field have been centred in the national film board, and are carried out by it. Therefore it is the proper body to produce films when required by departments of government.

I have before me a table showing figures covering the work done for other departments of government. The moneys referred to were expended by and recovered in the national film board's allotments. This table shows the following:

Film production expenditure for other government departments	$ 683,114
Industrial circuits, other government departments	143,541
Department of National Defence, director of military training, prints	92,500
Department of National Defence, purchases, equipment and so on	105,000
National war savings committee, victory loan publicity	52,000
Graphics division, for other government departments	111,779
	$1,187,934

Mr. ROWE: The minister gave the figure of $123,000 as the amount received in revenue.

Mr. LaFLECHE: That was revenue from rental of films.

Mr. ROWE: That is in addition?

Mr. LaFLECHE: The latter figures show the work done by the national film board for the other departments. This means, of course, that those departments finance the operations.

Mr. ROWE: Is that money from the other department paid over to the film board?

Mr. LaFLECHE: Yes. When a requisition is made to the film board by a department

of government it is accompanied by a financial encumbrance—really a passing over of credit to the film board.

Mr. ROWE: Is it then turned in to the consolidated revenue fund?

Mr. LaFLECHE: It is spent in the production of films ordered by the other departments.

Mr. ROWE: I have listened to the minister's brief review of the extensive work done by the board. I am sure we acknowledge the value of most of that work. But from the point of view of accounting it would seem rather misleading to the committee to find that when the general estimates come before the house a certain amount is allotted. Then, in connection with the war appropriations we find a larger sum of money, which is supposedly an amount of money to be spent by the film board.

However, we now find that the board actually collects another $1,187,000. When one tries to reconcile these figures with what appears in the public accounts he finds it even more misleading. No doubt the money has been spent, but we sit here and struggle by the hour to find out how it is spent. It would seem that we are dealing with a lesser amount of money than that actually spent by the board. In other words, more money, of which we hear nothing in parliament, is spent by the film board, than is spent under the estimates we pass. I do not for one moment suggest that it may or may not be properly spent. I believe I am fair when I say that more money is being spent this year than was spent last year.

Mr. LaFLECHE: Yes.

Mr. ROWE: And more money was spent last year than the year before. And if we continue there will likely be more money spent next year.

Mr. LaFLECHE: Depending upon necessities.

Mr. ROWE: I do not doubt but what the necessities will be very great. I realize that the film board can render a great service. I have seen many of the films it produces. I believe some of them we might do without, but others are necessary. Some of it is probably, as we have heard it said, for national unity in this country. We know that expression "national unity" has been hackneyed for twenty-five years.

Mr. HOMUTH: We have not got it.

Mr. ROWE: It is hard to tell whether it is to win the war, or for the unity of a certain political party. Perhaps it is for a certain amount of government advertising—that would be the more courteous way of putting it to the minister. However, in the public accounts of March 31, 1943, we find that vote 201 for the national film board, including the motion picture bureau, amounted to $237,000.

An hon. MEMBER: What page is that?

Mr. ROWE: Page N-5 of the public accounts for the year ending March 31, 1943.

Mr. LaFLECHE: I do not wish to interrupt my hon. friend, but is he not referring to peace-time or ordinary civilian estimates?

Mr. ROWE: No; it is all in what was spent. I mention it only to make my point as to how bookkeeping is done in the department. I am not making any charge in connection with the manner in which the money is spent, but I am saying it would be fair if we could have a clearer picture than we have had presented to us.

Mr. LaFLECHE: My hon. friend will not object if I attempt to keep him from getting more disturbed or more unsettled.

Mr. HOMUTH: Oh, do not worry about our unsettlement.

Mr. ROWE: I would only say—

Mr. LaFLECHE: There is such a thing as courtesy in the House of Commons. I trust the hon. member who has just interrupted will remember that. I am trying to assist the hon. member for Dufferin-Simcoe, and I am sure he did not resent my attempting to point out to him that he might be more confused by attempting to take out from the auditor general's report that which deals with civilian estimates, when we are discussing war estimates.

Mr. ROWE: I thank the minister for trying to save me extra work. I do not want to hold up the estimates, and I think he will agree that I have not held up the war appropriations very much. But I should like to make a brief reference to this matter. The public accounts show vote 201, national film board, $237,000; also vote 428, further supplementary estimates, $75,000, and vote 417, cost of living bonus supplement, $1,500. The expenditures are shown as $311,456.08, leaving lapsed, $2,043.92. The comments on these expenditures illustrate the point I have in mind as to the manner in which these estimates are presented. They state:

> The following classes of expenditures were incurred: (a) salaries and expenses covering the cost of production and distribution . . .

And again:

> It will be noted that the following lists of salaries, travelling expenses and vendors exceed

in total the allotments authorized, the explanation being that this appropriation was credited with the costs recovered from other departments.

I presume that would be an amount similar to the $1,187,000, and we have in the general estimates a vote of around $400,000 or $500,000. We have before us to-night an estimate for national war services amounting to $845,000, but this committee has had no opportunity to consider how this money is being spent. It may be necessary, in time of war, to have a great deal of bureaucracy, a great deal of control, and the passing of orders in council in the east block even when parliament is sitting and the matters covered could well be discussed here, but it does seem to me that we should have before us the total expenditures rather than a small part of them. We have been told what has been collected from other departments, amounts such as $683,000, $143,000, $92,500, $115,000, $52,000, $111,000 and $123,000; these amounts were paid for rental of films and produced a total revenue of upwards of $1,200,000.

The general estimates for 1944-45 refer only to twenty-five people who are paid salaries, but when you look into the public accounts you find that for the fiscal year ended March 31, 1943, there was a total of 375 employees paid from this vote. The comments read:

> The following table shows those who were paid at the rate of $2,400 per annum or over at that date, or at date of separation (shown in bracket), as well as travelling expenses where the amount was in excess of $300.

Unless the travelling expenses paid were $300 or over they were not shown in the public accounts, and only the salaries of $2,400 and over are shown. I do not doubt that the money received from other departments was properly spent and I do not intend to imply that it was not, but I contend that we have the right to discuss those expenditures. Surely we do not have to throw away all our rights of discussing these matters merely because we are at war. As I said before, we have gladly sacrificed many rights and we have accepted many restrictions and are ready to accept many more, but it seems to me that it is too much to expect us to take unnecessary ones without bringing them to the attention of the committee.

Details of general receipts, which I presume are similar to the ones the minister read off, appear in the public accounts. There are items for the wartime information board, $677,000; wartime prices and trade board, $55,000; national defence, $203,000, and so on. I have no doubt that this money was well spent. Then particulars are given only for payments over $5,000. I submit that we as members of parliament and as members of this committee have had no opportunity of knowing what was done with a great portion of this million and a quarter dollars. Yet we have spent hours discussing what we thought were the expenditures of the film board. The amounts in the general estimates are much less than what has been received, and this greater expenditure has been made without this committee giving the film board authority to make it. The payments over $5,000 include Action Film Company, Chicago, $8,530; Associated Screen News Limited, $157,000, and so on through a long list which I shall not read.

I totalled up roughly what was received by the film board and it coincides approximately with the figure the minister gave. It is about $1,200,000, this being the amount received in the year just passed. I presume the figures up to March 31, 1944, will not be out until next year.

Mr. HOMUTH: They will not be here to give them.

Mr. ROWE: The amounts received from the different departments are considerably in excess of what has been paid out. The board received about $1,200,000, and there is a vote for $840,000, or a total of about $2,000,000. As I say, the general estimates deal only with about twenty-five salaried people, compared with 375 that are actually paid. In other words, we have been passing a vote to pay about twenty-five people, whereas the film board has been paying the salaries of approximately 375 people.

It seems to me that the film board should take the money received from other departments, deposit it in the consolidated revenue fund and then ask for a vote to cover its total expenditure rather than ask for a smaller amount and leave it to the committee to guess what kind of inside bookkeeping is being done. As I say, I am not implying that the money received from the other departments is not properly spent, but I claim it is our right to know how the $1,200,000 received from these other departments has been spent. If this money has been received for services rendered by the film board and provided for by the initial vote, then it should be deposited in the consolidated revenue fund so that this committee can deal with it as we deal with other matters.

Mr. MARSHALL: Are we not wandering far afield in this discussion? I do not think I need to come to the rescue of the minister because he can look after himself, but I think we are confusing two totally different votes. The vote here under the heading of war

appropriation on page 398 of *Hansard*, February 11, covers specific items and totals $845,500. There is another vote, 194, in the estimates, under the heading of "national war services (other than war appropriations)" amounting to $678,806. I contend that most of the discussion which has taken place deals with that civil estimate and has nothing whatever to do with the estimate which is before the committee under the heading of the war appropriation.

Mr. LaFLECHE: The hon. member for Camrose has it correctly.

The hon. member for Dufferin-Simcoe, as best I could understand it, was really speaking about the civilian vote for last year as reflected in the auditor general's report for the year ended March 31, 1943, and the hon. member seemed not to agree or to understand that it is quite in order, although he may recall that for years and years it has been the practice, when circumstances so dictated, that one department would supply another department with a given amount of money to do a certain piece of work. That is not a new practice; it has been operative for years and years and I presume will be for years to come. How else could it be in view of the provision of the National Film Board Act that the board shall be the one organization in the federal government to do film work? The only other way would be that all the departments should ask the national film board to make up a combined budget and to put it through the house in that form. But I wonder whether that would be good accounting practice. As I recall it, that would not have been acceptable to previous auditors general, because those gentlemen have always wanted the requiring departments to show in their estimates the money they want for their own requirements. I suggest to the hon. member for Dufferin-Simcoe that if he will study the matter in the light of my remarks he may be satisfied in that connection. When a department requires some film work it must place an item in its budget or at least come to this house to get the required financial authority to spend money. But in that case the requirement is a departmental one; it has to do with the Department of National Defence or of Munitions and Supply or of Labour, or whatever it may be. The amounts for which I come to this committee to request its approval have to do rather with national objects. The amounts of money requested by the national film board are not for the requirements of one department but for general national purposes.

Mr. ROWE: They will appear in the public accounts, of course.

[Mr. Marshall.]

Mr. LaFLECHE: The hon. member for Dufferin-Simcoe took me politely to task for not explaining the details of this vote. Well, I was doing so when my hon. friend rose, and had I been permitted I would have gone on and given him the break-down of the $845,500, and if it pleases the committee I should very much like to do so now.

Mr. ROWE: I do not want the minister to delay his own estimates.

Mr. LaFLECHE: Well, I have answered my hon. friend. I have given him what I think is the proper interpretation, the correct routine, based upon my knowledge of what previous auditors general have wanted. I must say, however, that the auditor general writes and publishes his own report. One knows what is in it only after it is published.

I believe, Mr. Chairman, I have given a correct explanation and I suggest that I have given a very satisfying one.

Mrs. NIELSEN: Before this item passes I should like to say a little about the work of the film board. It is true that we are spending considerable sums of money upon the work of the board; but when we come to consider the importance of the film as a medium for the advancement of our prestige in the world generally, and the part it plays within Canada itself, I believe that these expenditures are well justified.

The minister mentioned the fact that one of the most successful of the series, known as "The World in Action", had been widely distributed. I do not know what the distribution is in Britain, but in the United States it goes to about five or six thousand theatres every month. So good has this series become that the columnist Dorothy Thompson recently devoted to it a whole section of her column. She said that the film board of Canada had set the world an example in supplying national and international information, something for which the board should receive commendation.

I sincerely hope that it will be part of government policy to continue the work of the film board, which has been done so admirably in war, into the peace period; in other words, to carry on the advertising of Canada. Reference was made once this evening to the advertising which will be done over the air by broadcast, and I think we must not minimize the value of the film in this direction. There is no doubt that by influencing public opinion the film is useful in establishing in the minds of people abroad the fact that Canada is a potential market, and it keeps the channels of public information very well supplied. I

can look back with some amusement at the ideas I had of Canada before I came to this country; they were quite fantastic, although I was probably quite an ordinary product of the British educational system. All over the world people may still have rather strange ideas, if not quite so funny as were my own; but during the war, with our boys going overseas and by other means, people abroad have a better idea of Canada than I had many years ago. Nevertheless to-day, when Canada is the world's third trading nation, we realize that in the future we shall have competition in Europe from both Britain and the United States. Both these countries will use the film as a very popular medium to press their claims for trade and markets, and in this matter Canada must not be left behind. We must do everything in reason to let the people of Europe, Britain and the United States of America know the potentialities of our country, not merely through government departments and bodies of that kind, but through the medium of the film, which gets right to the people.

But it is not only in the fields of trade and commerce that the film is useful; it has great value in establishing cultural relations with other nations. These associations may be intangible things, but many qualities of the heart and the mind—the love of beauty, the appreciation of art for its own sake—are universal.

A little while ago I went to see the showing of one of the films which are exhibited on Tuesday and Thursday evenings here in the house, and I saw something which stayed in my mind for a long while. It was a little gem in technicolor, called "The West Wind", a small short film to commemorate the life and art of one of our great Canadian artists, Tom Thompson. Films of this kind would link us to the peoples of other countries in very subtle bonds. They would have greater strength, in my opinion, than many material things, and these films also arouse in Canadians a great feeling of pride, to think that they belong to a country which has produced men who loved Canada so intensely and who were capable of reproducing her wild loveliness for the peoples of other nations to see.

There is one other series known as "Canada Carries On", which has done, I believe, remarkable work in bolstering and stimulating public morale in the days of war. The minister gave figures of the people who see these films every week. I should like to see the series carried on in the period of reconstruction, because in that rather difficult time, when many people will have to make adjustments to peace-time living, it will be very necessary to bolster the morale of Canadians and infuse in them a feeling that the period of reconstruction is one in which they have an active part in building up the economy and the happiness of the Canadian nation.

With regard to my own people back in the northern part of Saskatchewan, I would urge that some of the rural circuits which the film board conducts might be stretched to reach out farther into the north country. I know these circuits do go into the southern part of the riding, but my people in the northern areas are the persons who need it more than any others, because ordinary films do not reach them. They do not have so many towns and villages where they can see the ordinary shows, and to have these circuits go into the northern areas would be greatly appreciated by the farmers. Films which deal with farm problems, food and nutrition, cattle raising, implements and all the questions connected with farm work would be very helpful to these people, and it is a pity they have not yet been able to have these films.

The last thing particularly is this. I should like to see the minister take into special consideration the great possibilities opening up before us in the field of education, not only the education of our children, but public education generally.

With regard to the work of the film board at the present time, I know they have a service in which they lend films to clubs and to certain scientific groups, without charge except the cost of postage and so on, but I would envisage something in the educational line far in advance of anything we have now. I should like to see libraries of films for circulation among the rural schools in Saskatchewan. The children in the cities have access first of all to the regular films more often than the children in the rural areas. They have access also to public libraries and to other means whereby they can increase their education. But the rural child is cut off terribly from all these other sources. I should like to see a special department built up within the film board, where we would have educationists whose sole job would be to prepare films in various branches of education, particularly for the use of rural schools. Teachers would find this of tremendous value, and the children would greatly benefit by it.

Having myself taught in rural schools, I know the problems that the rural teachers have. A little group of children in a country school on the prairies of Saskatchewan, learning their first lesson in physical geography, will be told of the source of rivers coming from glaciers and so on. But what conception have the prairie children of these things? Put

before them a technicolour film showing the Rocky mountains, showing the source of the Athabaska or the Saskatchewan river, and you have something of great beauty, depicting the great possibilities of Canada. That is ingrained in the children's minds, so that it will never be lost.

I particularly commend the film board for their work in this connection and urge the minister, in the field of education, to go farther than we have done so far.

Mr. GREEN: There is a new vote here in connection with still photographs, the amount being $115,500. Will the minister explain what that covers? What proportion of these films are made in Canada; are any taken outside of Canada, and, if so, to what extent?

Mr. LaFLECHE: This is what is now known as the stills production and distribution branch or section of the national film board. We have in these estimates an item of $115,500 for the purpose. This allotment is intended to cover the cost of certain work produced by the graphics division of the national film board. This division combines the facilities of the former stills section of the national film board and the photographic and art sections of the wartime information board. There has been a fusion of the two. The graphics division makes pictures for almost every government department, illustrating their work and providing information on all phases of their activities. Such work is paid for by the departments concerned.

The following is a brief summary of the work produced by the graphics division in the past fiscal year: Production in Canada of 15,320 negatives; production of 162,565 prints; distribution of prints and mats to newspapers and periodicals in Canada; distribution of 185,266 prints and mats to newspapers and periodicals in the United States, and distribution of prints to newspapers and periodicals in the other nations of the commonwealth.

The subjects covered include the great power dam at Shipshaw, the aircraft industry, research enterprises, tank and artillery arsenals, optical instruments industry, shipbuilding, chemicals and explosives, Sitka spruce and plywood industry, lake shipping, Alaska highway, coal mining production, first Lancaster bomber, the Quebec conference, mutual aid to Russia, Australia and India, rationing and price control, wartime housing, et cetera.

It has developed rapidly into a worth-while section of the national film board. This fusion represents what was taken by the wartime information board from the old public information board, and what they had in the national film board. From this they made this new division of graphic stills. It has done excellent work, and its activities, I think, will be bound to increase in keeping with the demand for its services.

Mr. GREEN: The minister did not explain about the percentage of films taken out of Canada.

Mr. LaFLECHE: These are not moving-picture films. All still photographs taken by this section are taken in Canada.

Mr. GREEN: What about moving pictures? Are any taken out of Canada?

Mr. LaFLECHE: The exception is that of films on labour management which are sent to the United Kingdom. That is the only exception.

Mr. GREEN: All the rest are made in Canada? They are all moving pictures?

Mr. LaFLECHE: They are not moving pictures. They are still photographs.

Mr. GREEN: It is my fault. I asked two questions. My second question really had to do with moving pictures. Are all moving pictures taken by the film board of events that are happening in Canada, or are there moving pictures made outside of Canada, and, if so, to what extent?

Mr. LaFLECHE: With the one exception, the films taken on labour management. They are taken in England. That is the one exception. Let us not forget that the armed forces have their moving-picture cameras. We are very fortunate in receiving the results of their work. Those pictures are turned in to the national film board for distribution; also the cutting and putting together of the news reels and distribution thereof are done by the national film board. If I may express a hope it would be that the work should be increased as much as possible. I know the national film board does take the position that the Canadian public must see more and more of our boys who are away from home, some of whom have been away for a long time.

Mr. GREEN: Are the moving pictures of the forces taken by the national film board or by the respective forces?

Mr. LaFLECHE: By the service personnel, but many of the service personnel have been trained by the national film board in Ottawa.

Mr. HOMUTH: Who pays the bill for the taking of the films by the various active service forces?

Mr. LaFLECHE: The active forces themselves.

Mr. GREEN: That would come out of the army vote, the navy vote or the air force vote?

Mr. LaFLECHE: That is right.

Mr. HOMUTH: When the films are turned over to the film board is there any charge to the national film board by the various branches of the services? In other words, if the taking of the film of the Dieppe raid cost $100,000, is that charged against the national film board, or is there any charge like that?

Mr. LaFLECHE: There is no such charge for this reason: The armed services turn in these films to the national film board for printing, perhaps, but at least for distribution. It is through that medium that the work of the army, the navy or the air force movie photographers reach the public.

Mr. MacNICOL: What effort, if any, is made by the national film board to carry to the people in remote areas pictures pertaining to Canada's part in the war? They could not send movies to the far remote areas, but still pictures could be sent. Are films sent to the Hamilton river in Labrador where we have troops and radio mechanics? Are pictures sent up to Moosonee in northern Ontario where there is quite a settlement of people but no theatre, or to Churchill at the mouth of the Churchill river, or Chipewyan on lake Athabaska, or to Box on the same lake? or to Yellowknife or Great Slave lake, and on down to Aklavik at the mouth of the Mackenzie river? Does the national film board enlighten the Canadians in those remote areas on the wonderful work Canadians are doing?

Mr. LaFLECHE: May I say in a word that all the production of the national film board is available to the Canadian armed forces, whether they be in camps in one part of Canada or in the farthest and most isolated parts of the country. Everything that the national film board has is available to our boys in uniform. The way in which it gets to them is through certain welfare officers of the forces. They organize sports, entertainment and recreation for our young men in these camps. There is such an organization, for instance, in the army in each of the military districts of the country, and the proper officer makes arrangements to get the films that he wants. They are available to him, and in every possible way the showing of these films is facilitated and encouraged. That is the answer in so far as the members of the armed forces are concerned.

Then, there are the rural film circuits mentioned a moment ago by the hon. member for North Battleford. The rural film circuits are, to our knowledge, very much appreciated indeed, and it will please the hon. member for North Battleford to know that there is already under consideration the extension of those circuits far afield which will take in the riding represented by the hon. member.

Mr. MacNICOL: Most of the areas to which I refer are much farther remote than those referred to by the hon. member for North Battleford. In only one area to which I referred, namely, the area on the Hamilton river in Labrador, would there be any troops. All the other places to which I referred are remote areas of northern Ontario and small centres like Chipewyan on lake Athabaska. There would not be over two hundred people there altogether. I have wondered for a long time what means or methods are applied in those remote areas to enable the people to see a picture occasionally.

Mr. LaFLECHE: I take it that the hon. member for Davenport has in mind the civilian population?

Mr. MacNICOL: Yes.

Mr. LaFLECHE: We have already covered this evening the case of the members of the armed forces. The recreation and amusement of the civilians, of course, is left to private initiative. But the rural film circuits, as I said a moment ago, are being increased in number and extended so as to cover the greater part of Canada, in the hope that before very long the time will come that wherever there is a reasonable number of persons it will be possible to send films to them; but it requires the demand and the cooperation of, say, the two hundred persons in the isolated community mentioned by the hon. member for Davenport. There is a desire on the part of the national film board to do that, but it requires the people concerned in those areas to make known their desires to make it possible to have a showing there.

Mr. MacNICOL: Would the films be sent free to them?

Mr. LaFLECHE: The films of the rural film circuits are provided without charge, yes.

Mr. COLDWELL: I am glad that the committee is giving some attention to the rural films. I know that in my part of Canada, Saskatchewan, the work that has been done by the rural film circuits is greatly appreciated by everybody and the films are of a very high order. Unfortunately I was called out of the chamber a few moments ago and was not present at all the discussion. Would the minister give us the number of projectionists who are undertaking this work in the various rural parts of Canada? While I do not want to ask

a number of questions separately because I want to assist in expediting the work of the committee, I should like to ask if the minister could give the committee, if he has not already done so, some outline of the use that is being made of our films in South America, the United States and elsewhere. From time to time in magazines and newspapers, not only those devoted to the film industry but such publications as *Time*, we have read complimentary references to the documentary and other films that have been put out by the national film board. I was wondering if the minister could give us some idea of the amount of work that has been undertaken, because I believe this service which the film board is rendering, not only to our own rural communities, which is very important, but also to the country at large in making Canada better known in South America, the United States and, of course, Great Britain, is something of which this House of Commons should have greater knowledge and appreciation. After all, the amount of money which is being spent may look very large to some people, but in my opinion the returns the country is getting from this expenditure far exceed the amount of money we are appropriating. I think some of us in this house who appreciate the work that is being done should endeavour to get for ourselves and for the country a clear outline of the valuable work this organization is doing for the dominion as a whole at the present time. To my mind the documentary films that are being made, and the many thousands of feet, I imagine, of film from which these films are being cut, are of great historical value to us.

I have another thought in that connection. Sometimes I wonder as to the wisdom of allowing these valuable documents concerning the war and the war effort to remain in a building which has struck me from time to time as being something of a fire-trap. I think the time has come—perhaps this cannot be done now in the middle of the war, when priorities may be against it—when plans should be laid, with the encouragement of this parliament, for a proper place where these valuable documents may be housed with no danger of being destroyed by fire at some time in the future; and where the facilities for the people who work on the production of these films will reflect some credit upon the country and the orgainzation. Personally, having had some experience in education, I believe that visual education will play a much bigger part in the future than it has done in the past, and that only an organization of the type of which the foundations are now being laid in the national film board can adequately perform the duties that will be necessary in order to supply our educational institutions with the films that will be required in the future. These very films we are discussing to-night, having to do with the war and Canada's war effort, while they are interesting to our people at the present time will be of much greater interest in the years to come. Twenty, thirty, fifty or one hundred years from now the library of films being built up, and the documents being collected to-day by the national film board, will be of supreme interest; and anything we as a parliament can do to assist in this valuable work should be done.

I asked the minister one or two questions, and I should like to hear something in reply if the minister is in a position to give it.

Mr. LaFLECHE: The national film board is now operating a total of eighty-two rural film circuits. There is every desire to increase that number as it can be done properly and efficiently; as I said before, it is hoped to be able in due course to cover much more of the rural parts of Canada.

The number of 35 and 16-millimetre films sent out last year from Canada by the national film board to a number of countries, I believe some thirty in all, was 2,503. The list is quite formidable. It may be interesting if I quickly read the list of countries to which the national film board has sent films: the United States, Great Britain, the U.S.S.R., Australia, India, the British West Indies, Newfoundland, New Zealand, South Africa, Egypt, Argentina, Chile, Brazil, Mexico, Cuba, Porto Rico, Greenland, Iceland, Colombia, Panama, Peru, Dominica, Nicaragua, Uruguay, San Salvador, Costa Rica, Venezuela, Ecuador, Honduras and Guatemala.

Mr. COLDWELL: Any idea how many people see these films or in how many theatres they are shown, both the shorts and the full length films?

Mr. LaFLECHE: We sent these films on request, so that we know they are to meet a demand. We have not a proper report which would enable us to say what have been the audiences to see the different films; I am afraid that would be beyond us.

Mr. COLDWELL: Could the minister give us an estimate of the number of theatres in which these films are regularly shown?

Mr. LaFLECHE: We know that in the United Kingdom our films are shown in over a thousand theatres and in the United States in over five thousand. We believe that the total of such theatres in all countries would be upwards of eight thousand.

Mr. COLDWELL: How many projectors has the film board available now for these rural circuits in Canada which we have been discussing?

Mr. LaFLECHE: We have a sufficient number now.

Mr. COLDWELL: What is the number?

Mr. LaFLECHE: Eighty-two.

Mr. COLDWELL: Eighty-two projectors?

Mr. LaFLECHE: Yes.

Mr. COLDWELL: And they are fully equipped?

Mr. LaFLECHE: They are portable and fully equipped, and there are trained projectionists.

Mr. COLDWELL: How many trained projectionists are there?

Mr. LaFLECHE: Well, we have a sufficient number to run the eighty-two circuits. In some cases, perhaps in twenty per cent of the total number of circuits, the board has the assistance of trained personnel supplied by local organizations. As I said before, this matter is run well, largely because of the good coordination and cooperation of all concerned.

The hon. member said something about safer quarters. I am very happy to say that as far as possible we have removed all fire hazards from the quarters of the film board on Sussex street in Ottawa. The board hopes that some day it will have a proper building for its head offices, laboratories and factory. Of course there is need for that. Making film is a hazardous occupation, and it is not always agreeable to other business houses to have film made in a neighbouring building; I do not believe the fire underwriters like it very much. Nevertheless it is hoped that some day. not too far distant, there will be safety vaults and good modern buildings to meet the requirements of the national film board.

Mr. COLDWELL: Are these projectionists on the regular staff of the film board?

Mr. LaFLECHE: On a particular staff—the rural circuit system staff.

Mr. COLDWELL: Are they equipped by the film board to do the job? For example, have they adequate facilities for servicing rural schools with the necessary electrical power to make satisfactory projections, and are they adequately remunerated for the job they are doing? Do they supply their own motor cars; does the film board supply a van, or how is it worked?

Mr. LaFLECHE: I thought it might have been taken for granted that the units were self-sufficient; otherwise they could not operate. That is made possible by the fact that some of them generate their own electricity. They have a system to do that, and they are self-sufficient. The trained projectionists are paid at trade union rates. They are proficient; they are trained and, as I said before, they work well with the local people who are interested in showing these films.

Mr. COLDWELL: Do they have any trouble in getting gasoline and tires? Are they given good priority?—because this is important in the rural areas.

Mr. LaFLECHE: I have heard no complaints on that score. It is necessary, of course, that they be economical in their use of gasoline and tires.

Mr. CRERAR: As a member of the film board, along with my colleague the Minister of National War Services, who is its chairman, I should like very warmly to support the general tenor of the observations made a few moments ago by the hon. member for Rosetown-Biggar. The Minister of National War Services has given the committee a good deal of detailed information respecting the operations of the board, the countries in which these pictures made in Canada circulate, and approximately the number of people who see them.

Irrespective of our political affiliations I think we can all agree that this is a great service, and that it is well worth while to have Canadian pictures of Canadian scenes, Canadian life and Canadian activities shown regularly in over 5,000 theatres in the United States and over 1,000 theatres in Great Britain, as well as in theatres in practically every country in the world. I know of nothing which will more effectively broaden in every way the information people desire to have about their neighbours than the agency of films. I think, too, it is an important factor in the promotion of international good will. If we have pictures of Canadian life and Canadian activities shown to the peoples of other countries they come to a clearer understanding and a better knowledge of the kind of country Canada is, and what its people are like.

The more I see of the work done by the film board, the more I am convinced of its great utility to Canada. I wish to pay tribute to those who are actively associated in the work of producing and distributing these pictures. While I do not wish to mention any names, I must say we are very fortunate in

having associated with the work of production and distribution people with keen imagination and great energy.

Undoubtedly the film can be made a tremendous agency for sound education. After all, people learn readily through the visual processes, and receive impressions that are probably more lasting and more permanent than might be obtained through reading—or even, Mr. Chairman, than they might learn by listening to speeches in the House of Commons. Therefore the value of this agency is disseminating information can scarcely be measured. I look upon it as an important factor not only in the international sphere, but also as an agency for great good within Canada itself.

In the last forty years I have travelled a good deal over this country. There are not many parts of it which at some time or another I have not visited.

Mr. HOMUTH: You missed Waterloo.

Mr. CRERAR: What has struck me is this: I may go to the maritime provinces and find that they do not know very much about the problems or the living conditions of people in Alberta. The people of Ontario know comparatively little about the activity and way of life of, or what the people in British Columbia are thinking about. Newspapers do not circulate much as between these different parts of Canada. I recall being in Vancouver many years ago, and, while there, staying at the Vancouver hotel. I went to the hotel newsstand to buy a Winnipeg paper, but there was not one to be had; nor could I get a Toronto paper.

Mr. GREEN: You went to the wrong stand.

Mr. CRERAR: They may have more since then.

Mr. HOMUTH: Not much.

Mr. CRERAR: But I must say that I could have bought any one of a dozen United States papers at the same news stand. The thought struck me: How are we to hold this country together? How are we to build up this thing we call national unity—for which I believe there is a definite need, to serve a definite purpose.

Through the agency of films a tremendous amount can be done in that direction. We can have films made showing the activities of the fishermen of Nova Scotia. Those films can be shown on the prairies. We can have films made of the activities of the lumbermen of British Columbia, and they can be shown in Ontario and Quebec. Pictures can be made of rural life in Quebec, and distribution could be carried out across Canada. We could produce films—we have produced some—showing the potentialities of our great north land, and give our people an understanding of a part of the country concerning which they know very little.

I apologize for taking up this time, because I know the minister is anxious to have his estimates passed, but as a result of my association with the work of the film board in the last few years I am sure there is no vote coming before the committee which I could more willingly support than the one we are now discussing. I doubt if in the long run, particularly in the educational field, there is any vote the expenditure of which is doing more good.

Mr. HOMUTH: I agree with everything the minister has said. There is nothing better than a picture to build up in the minds of the people something of the potentialities of Canada. I think the greatest disappointment I ever had in my life was when I first saw a circus. I had seen an elephant in pictures and it was nothing new to me to see one in the circus. I had also seen tigers and lions. While I had never seen monkeys in pictures, I had seen some of them in public life. But the fact of the matter is that the whole thing was spoiled because it was nothing new to me.

I think something such as the minister has suggested is the only thing we can do to teach the people in the different parts of this country to appreciate the other parts. They must be shown films of the different sections of the dominion. People have visualized the Rockies who have never seen the Rockies and never will. People have visualized the valleys and farms and the fisheries and shipping of the maritimes when they will never see them in fact. It is a tremendous job that this film board has to do.

But sometimes I wonder if we are just as honest in connection with these estimates as we ought to be. I think it is nearly time we realized that the people love expenditures, provided that they produce dividends. What do we find in connection with the estimates of the film board? A year or two ago Mr. Grierson, the head of the board, received $6,000. He was then made the head of the wartime information board at an increased salary of $10,000. He was then brought back to the film board, and I understand his salary was the same.

I wonder whether in our desire to try to hide expenditures, in our desire to try to tell the Canadian people what we are doing without letting them know the cost, we are not actually doing more harm than good. There is nothing better than giving the people an

honest picture of just what is happening in these matters. I believe that if the government said, "We are going to find a man who will be able to publicize Canada to Canadians, who can publicize Canada to the world, and we will pay him $15,000 or $20,000, if necessary." I do not think the public generally would criticize such an expenditure which might bring back such large dividends.

This may be done by our ministers in an effort to avoid criticism, but I do not know. The leader of the Cooperative Commonwealth Federation a short time ago questioned whether projectionists were receiving enough money. I question that also. I know something of their activities. I know something of the good that these films have done in our industries and rural schools. None of these men is receiving anything like the wages that are being paid to many workmen in our factories. If there is any authority in this country that ought to set a standard of wages it is the government. The government should pay salaries sufficiently large to bring from private enterprise the best men available.

I do not say this in an attempt to criticize Mr. Grierson. However, I feel that we ought to be truthful with the people and let them know just what the position is. I commend the minister for the work this board is doing, because I think it is a great work and they should expand it. They could go much farther than they have, but I feel we should be frank with the people in so far as the public accounts are concerned.

Mr. LaFLECHE: I hasten to rise to point out to the hon. member for Waterloo South that while it may be innocence on his part, he has done a great wrong to a valued civil servant. In talking about the present film commissioner, Mr. John Grierson, and about hiding of expenditures, I do not think he could have found a more impossible or extravagant illustration. The gentleman he has named was raised to a salary of $10,000 a year in November, 1941. His going to the wartime information board had nothing whatsoever to do with his salary, because he was receiving that salary before he went to that board. He continued to receive the same salary after he finished his term of office with the wartime information board. It must be remembered that Mr. Grierson was not transferred permanently to the wartime information board; he took on that extra work, stating in advance that it would be only for a certain number of months. I am sure the hon. member for Waterloo South will not mind this correction.

In connection with projectionists I stated to the hon. member for Rosetown-Biggar that they are being paid in accordance with trade union rates or understanding. They receive about $140 a month with cost of living bonus. I agree that this is not a great deal of money, but on the other hand they seem to live well enough. There is no trouble with them and there are many persons who want these positions. It is not a bad life since they move around and see lots of people. I say these things because sometimes a word said in error goes far afield and truth does not catch up to it.

Mr. COLDWELL: While we cannot compete with so-called enterprise in the payment of salaries, I think if we want to get the best people in the public service we shall have to make conditions more attractive than they are. We cannot continue to employ people in the public service if we underpay them, and that is what we are doing throughout the civil service. When the estimates of the Minister of Agriculture were before us we were discussing veterinary surgeons and we found that the salaries paid were simply scandalous.

I am not so sure that these projectionists are getting trade union rates in terms of a yearly salary. From the few of them I have met, my observation has been that while they receive $140 a month and a certain allowance for their cars, they must provide the cars. If my recollection is correct they are paid about seven cents a mile for gasoline, tires, repairs and so on, but I believe sometimes they use the car engine to generate power and I do not know whether they are paid for that. If they are receiving only $140 a month for doing this kind of work, they are underpaid. In order to have people who can present these films in an acceptable manner you must have persons with some education.

From time to time I have listened to some of these projectionists exhibit films and I have been pleased indeed with the type of men who are doing this work. They were able to present the film in a manner which interested the people who were taking advantage of the particular rural show. It seems to me that our ideas with regard to educational and cultural activities are all wrong. While we cannot hope to compete with business concerns in the salaries we pay, we should pay sufficient to maintain these people in adequate comfort. When we consider the responsibility entailed in making these films and then compare the remuneration of the chief of the branch or his assistants with the salaries paid by business concerns, we seem to be paying virtually nothing at all. I am not suggesting that we pay fabulous sums, but in all our cultural

activities—in films, in broadcasting, and in the realm of education—we ought to give greater encouragement financially and in terms of security than we are giving to-day. I hope that we may be reassessing these cultural activities and that we shall place them on a better footing than they have been. I do not think we are paying anybody connected with the national film board too much; I have no doubt from what I know that we are paying too little, as we are paying too little in so many of our departments. Take our research council; the salaries of our scientists there are something of a public scandal. We have the responsibility of giving greater encouragement to the able and often brilliant young men and women who might be tempted to go into some private industry but who remain in the public service because they wish to develop it as a life work and do something worth while for the country in which they live.

Mr. ESLING: Are rural circuits proportioned to our province according to population? Also, are slides available for educational purposes for the school children? It is difficult to imagine anything more interesting or of more value to school children than each Saturday afternoon to have a showing of the slides of various parts of the provinces and the dominion, in auditoriums and various local schools, and in community halls in rural districts where they never see such a thing as a film and where nevertheless there are good-sized communities, perhaps of two or three hundred people. A private entertainment concern would never go there. This service could be accomplished very readily and at little expense if a certain number of slides were allocated to each community, we will say for Saturday afternoons, upon request of the principal of the high school or of the public school, so that somebody would be responsible. The educational value would be marked.

Mr. LaFLECHE: I am grateful to the hon. member for Kootenay West, and I am sure he will be pleased to know that these rural circuit projectionists do, as a matter of course, give a showing in the afternoon in the local school for the school children when the projectionists go to a given point to provide displays, say in the evening, for the adult population. The point made by my hon. friend is an excellent one. As I said before, the service is being gradually increased as there is demand and, in the case of rural circuits, provincial cooperation.

Mr. ESLING: For instance, if the principal of a high school made a request for a certain number of slides to fill in a programme for Saturday afternoon for educational purposes, would the board send those slides? Also, are there any rural circuits in British Columbia? I have never seen one. Nor have I ever seen a display of government films.

Mr. LaFLECHE: There are rural circuits in British Columbia; and as for high school principals or school principals obtaining, I do not say prints, but films, they can be had from what we term the national film board libraries, scattered here and there. If my hon. friend has any particular point in view and would care to write to the film board, his request will receive every possible consideration.

Mr. COLDWELL: To what extent are departments of education interested in the kind of thing that the hon. member for Kootenay West has mentioned?

Mr. LaFLECHE: The provincial departments of education are very much interested in this.

Mr. COLDWELL: Are plans being worked out? I think every school nowadays should have a machine. Many schools, of course, with which I am acquainted have them.

Mr. LaFLECHE: I could hardly undertake that the national film board would provide them.

Mr. COLDWELL: Oh, I do not mean that. I do not want to be misunderstood. I mean that every school district should provide itself with a machine.

Mr. LaFLECHE: I agree.

Mr. COLDWELL: Then, perhaps, through the national film board, a series of still pictures, slides, and films could be provided and could circulate like a library from school to school.

Mr. LaFLECHE: Right now the film board is working along those lines. We have already established film libraries; and, to make it practical, if anyone interested would care to write, every assistance would be afforded.

Mr. MARSHALL: I heartily concur in all the remarks which have been made with respect to the educational work of the film board. I believe the time is not far distant when a great deal of our education will be imparted through the medium of the film. I have two small questions to ask the minister. The first is, could he give me the number of schools in each province? The second is, what constitutes a circuit?

Mr. LaFLECHE: I am sorry that I have not the eighty-two circuits broken down by provinces. This may be interesting: The cost

of operating the circuits wholly financed by the board is approximately $375 per circuit per month. This sum provides the salary and expenses of the projectionist, shipping charges, print costs, maintenance of equipment, and publicity. If my hon. friend wants to know how many circuits there are in Saskatchewan I shall get the details and send them to him.

Mr. MARSHALL: I am more interested in Alberta than in Saskatchewan. But if the minister would bring down figures for all the provinces, not this evening but at some other time, they might be put on *Hansard*.

Mr. LaFLECHE: With pleasure.

Mr. MARSHALL: I should like to know the number of circuits in each province, and also the average number of points that are covered in a circuit.

Mr. LaFLECHE: Each circuit comprises at least twenty different points a month. But I shall bring down this information.

Mr. REID: I do not like to delay the committee, but a statement was made by the Minister of Mines and Resources which I do not feel like allowing to pass without contradiction. Speaking of my own province, he stated that he could not find on the news stands any newspapers from Winnipeg or Toronto. Let me tell him that the people of British Columbia know more about the other provinces than the people living in any other province, because people living in other provinces usually come to British Columbia, and show their good sense in doing so; we have that kind of province. As for the minister not being able to get a newspaper from Winnipeg or Toronto, I guarantee that I could take him to fifty news stands which would give him any paper he wants from any province.

Mr. CRERAR: I can assure the hon. member for New Westminster that the statement I made was a correct one. My visit on that occasion was a good many years ago. I am delighted to know that the west coast has made such substantial progress since that time.

Mr. REID: In forty-five years?

The ACTING CHAIRMAN (Mr. McCann): Shall the item carry? Carried.

Mr. GREEN: Are we under sundries?

The ACTING CHAIRMAN (Mr. McCann): No.

Mr. COLDWELL: I did not quite catch the carrying of that item. I was going to ask about trade union films, because I think we should have some knowledge of what is being done in that regard. I believe a great deal has been done in the past by the showing of films and so on, and I think we should try to get a picture of this both for ourselves and for the country through the record. There have, I believe, been industrial and trade union circuits. What are they, and what do they do?

Mr. LaFLECHE: The film board operates ten trade union circuits and forty industrial circuits. They are in close touch with those immediately concerned, and with their cooperation, these circuits have been formed and, I understand, operate very successfully.

Mr. MARSHALL: How can one get one of these circuits? What has one to do in order to get one of these circuits operating?

Mr. LaFLECHE: The interested party should write direct to the national film board, stating the requirements, the points to be covered, and that will receive immediate consideration.

Mr. MARSHALL: Is there any guarantee—

Mr. LaFLECHE: There should be a correct description and all the necessities should be set out with full explanations.

Mr. QUELCH: Should the proposal be made by some organization, or can it be made by a private individual?

Mr. LaFLECHE: From a school or from some well-known person, a resident.

Mr. COLDWELL: Or a member of parliament?

Mr. LaFLECHE: Yes, of course.

Item agreed to.

Sundry services, $69,080.

Mr. GREEN: There does not seem to be an item in the minister's estimates for what was known as the government office economies control. If the minister will remember, that subject was dealt with rather fully last year in consequence of the resignation of Colonel John Thompson from the position of director of that particular division. Will the minister tell us whether or not that division has been allowed to die out? If not, what is the position at the present time?

Mr. LaFLECHE: During the last year the division has made remarkable progress. It has achieved a very high success in effecting economies in government departments. The director, a capable civil servant, who has been in the service for many years—

Mr. GREEN: Who is that?

Mr. LaFLECHE: Mr. T. P. Murphy. He does it without extra remuneration. He is an

employee of the Post Office Department and, working after hours as his war job, he carries out this work. He has had remarkable success and has gained the confidence and good will besides the entire cooperation of a number of civil servants in each of the departments. He has formed an interdepartmental committee. It attends at his office and holds joint meetings, and there is a great interchange of information. There has arisen, I presume, some friendly rivalry, because it is noticeable that those concerned in the several departments have now learned well what can be done by way of economy. They themselves do much of the work which otherwise would have to be done by the director. They follow Mr. Murphy and he gives them full credit for their own success. The situation is excellent.

Mr. GREEN: Is it a one-man show? Is Mr. Murphy the whole division of the government office economies control?

Mr. LaFLECHE: The complete staff comprises: Mr. T. P. Murphy, acting director of government office economies control, no salary; Mr. S. McCartney, estimating and printing adviser, $3,000 a year; Mr. H. J. Joyce, clerk grade two, $1,320; Mr. G. Rheaume, clerk grade three, $1,380; Mrs. Kiely, typist grade two, $1,080; and Miss Pazzkowski, clerk grade one, $780; total salary list, $8,340 with $780 war supplements.

Mr. GREEN: What vote does that come under?

Mr. LaFLECHE: It is in the sundry vote. The total is $10,885.

Mr. GREEN: Do they come under order in council?

Mr. LaFLECHE: Yes.

Mr. GREEN: The original order in council gave Colonel Thompson drastic powers to control expenditures. I understand from what the minister says to-night that expenses are now saved by cooperation rather than by direction. Is that the case?

Mr. LaFLECHE: I said earlier this evening that Mr. Murphy of the economies control has been an immense success. He has gained the confidence and has a widening circle of convincible public servants who are carrying on the work, not only under instruction but by conviction and by a knowledge of what can be done. The authority here is the order in council so much commented upon last year. It is somewhat painful to go back a year ago—not painful to the department, however, but to a gentleman whose name was brought into prominence, not for his own sake but for other and, I am afraid, not worthy motives.

Mr. GREEN: What does the minister mean by that?

Mr. LaFLECHE: Because they were making a play on him. They were inviting the gentleman—and he is a gentleman—into public notice, with the result that he would make certain statements that would appear as we would read them, and make him unhappy. I am sure it did not assist him in the performance of his duty.

Mr. GREEN: The minister does not refer to any member of parliament? The minister is not suggesting that—

Mr. MACKENZIE (Vancouver Centre): Oh, no.

Mr. LaFLECHE: I have not done so.

Mr. GREEN: I am asking if he is referring to any member of parliament in making that inference?

Mr. LaFLECHE: It was not an inference; it was a statement. I did not say that any member of parliament had done that.

Mr. GREEN: Is the wartime information board under the order in council now? A year ago they were not subject to the government office economies control.

Mr. LaFLECHE: Yes. The wartime information board are doing very good work under Mr. Murphy.

Mr. GREEN: Has the order in council been changed?

Mr. LaFLECHE: It has not.

Mr. GREEN: To make them subject to—

Mr. LaFLECHE: It was not necessary. It depends upon the approach. One cannot legislate men into doing good and one cannot legislate them into being efficient. But the civil servants in Ottawa, if properly appealed to, have always without fail responded in the right way; and they have done so, moreover, in the case of the economies control.

Mr. GREEN: That may be the position now. But the position last year was that practically all government departments were subject to this order in council with the exception of the wartime information board, and perhaps one or two other boards. Has any change been made in the order in council in the interim?

Mr. LaFLECHE: I said earlier that no change has been made in the order in council. Mr. Murphy has been able to interest people in all of the departments.

Mr. COLDWELL: As I understand it, Mr. Murphy is lent to the office of economies control. If that is not so, how else does it work? It seems to me we are, as it were, getting the shadow here, not the substance. If Mr. Murphy is devoting his time to this work and receiving his salary from some other department, then I think that an adjustment should be made and he should be reasonably remunerated under the particular item which covers this office. I agree with the minister that you can get more out of people by cooperation than you can by endeavouring to drive them to something. If, as I think the minister has suggested, Mr. Murphy is trying to do this work after hours, then surely he cannot be giving very much attention to it even in order to get the co-operation of the civil servants involved. Of course the staff is comparatively small when one takes into consideration the billions of dollars that we are spending. I wonder how he can possibly do this job after hours, even to get the cooperation of the civil servants.

Mr. LaFLECHE: Mr. Murphy is a permanent civil servant and works in the Post Office Department. I think he has had forty-one years' service. When I spoke to Mr. Murphy about the possibilities of his coming over to economies control, because I had known of the excellent work of the same kind he had done in the Post Office Department, he undertook to come over when he could. He comes regularly in the morning. He does his work in his own department when he can.

Mr. COLDWELL: In other words, the Post Office Department is practically lending him.

Mr. LaFLECHE: I am very grateful to my colleague, the Postmaster General, for permitting Mr. Murphy to come and get this work going, and for the spirit that he has put into it. It is not particularly hard work when everybody wants to do the same thing. There is a difference between driving and all marching together in the same spirit.

Mr. MARSHALL: I have a matter that I should like to bring to the attention of the minister. In 1941 there was in his department an item which amounted to the sum of $50,000. It was a revolving fund in connection with an organization known as the civilian technical corps. All the expenditures made from the fund were supposed to be guaranteed by the United Kingdom. There was spent from this fund in the year 1941-42 the sum of $27,000. It was not recovered when the auditor general made his report in 1943. A further sum of $7,833 was spent in 1943. Would the minister give a short statement showing the position of this revolving fund at the present time, and what reason could be advanced for the United Kingdom not meeting the amount which had been debited to them?

Mr. LaFLECHE: The civilian technical corps came into being at the request of the British government before the United States entered the war. It was felt that a great many qualified technical Americans would be very happy to go to the British isles and serve there in undertakings requiring technical knowledge and experience. The organization was not a Canadian one. It was a United Kingdom establishment. It was placed under my department nominally. It was in Montreal under the direct supervision of the United Kingdom air mission, I believe.

The Canadian government advanced the moneys and periodically the Canadian government was reimbursed for expenditures made. I do not recall the exact standing of the account as of March 31, 1943; but I know the entire account has been paid. The hon. member has asked, why the delay? Well, it was in putting in the bills and latterly getting them sent over to Great Britain, I understand, for final approval, or something like that. It was a revolving fund. The Canadian government has been reimbursed in full. When the United States came into the war that organization had, of course, to go out.

Mr. MARSHALL: Then I take it that this account has been closed out and has nothing to-day with the sundry services.

Mr. LaFLECHE: No. As I recall it, there was a balance some time last year and I asked why. It was inquired into and not long ago I was told that the account had been settled.

Mr. MARSHALL: What do you do with a balance like that?

Mr. LaFLECHE: It goes back into the consolidated revenue fund.

Mr. GREEN: When the minister's estimates were under discussion on the last occasion he promised to bring down a statement showing the number of men taking educational courses in the pension and health hospitals of Canada. Could the minister give us a statement to-night?

Mr. LaFLECHE: I had hoped to begin this afternoon by giving my hon. friend the information, but in the hurly-burly an hon. member rose and I was not able to do so. It will

take me fifteen minutes to give it. If the committee wishes to go on to something else I can do it at some other time.

I have made very careful inquiries, and the statement I am about to give reflects what I found after consultation with departmental officials. During the discussion of Canadian Legion educational services estimates on Monday, April 24, and again on the 27th, the hon. member for Vancouver South inquired as to what extent it is possible for a man in hospital to take advantage of Canadian Legion educational services. Since that time I have caused inquiries to be made of the department concerned and have been assured that any patient in a Department of Pensions and National Health hospital may, subject to the approval of the responsible medical officer, commence or resume a suitable course offered by Canadian Legion educational services or commence a more suitable course with an approved correspondence school, and such instruction will, in so far as possible, be directly related to the individual's post-war occupation and any necessary training or education under the rehabilitation programme. These legion courses are reported upon favourably by medical and administrative officers of the department and it is the intention to give further expansion of such courses every encouragement.

I should like to add that at present there are available a series of manuals on arts and handicrafts especially designed to give simple practical information, so that service personnel may learn a useful and interesting handicraft without the aid of an instructor. Manuals which are now in print in both English and French include: woodwork, leathercraft, knitting and needlecraft, wood carving, metalcraft, rugmaking and fibre craft, weaving, photography and handicraft designing, water-colour painting, sketching with oil paints and drawing. In addition to the handicraft manuals, there is a series of manuals designed to assist service personnel in the intelligent choice of their post-war vocation. The first manual in this series is entitled, "How to Choose your Post-War Job," which provides the service man with clear but concise guidance on what sort of jobs are available and what abilities are required to obtain these jobs, together with information as to how he may prepare himself for the particular job he has in mind.

To assist service personnel to procure further information a series of fifty manuals are either printed or in press or are being prepared for press by experts in each particular occupational field. I should like permission to place on *Hansard* a list of fifty manuals, or is it desired that I should read them? May I place them on *Hansard* without reading them?

[Mr. LaFleche.]

The ACTING CHAIRMAN (Mr. McCann): By consent of the committee.

Some hon. MEMBERS: Carried.

Mr. LaFLECHE: They are as follows:

1. Homemaking.
2. Agriculture, including fur farming.
3. Agricultural industries.
4. Forestry and logging.
5. Forest products industries.
6. Prospecting, mining and smelting.
7. Transportation—land, sea and air.
8. Communication—telegraph, telephone, radio and mail.
9. Building trades.
10. Fishing, fisheries, products and marketing.
11. Machinists.
12. Automotive repairing and garages.
13. Stenography, typewriting and clerical work.
14. Steel construction, riveting, welding and flame cutting.
15. Education and teaching.
16. Meals and lodgings.
17. Textile industries.
18. Clothing industries.
19. Retail trade distribution.
20. Salesmanship.
21. Civil service, public administration.
22. Barbering and beauty culture.
23. Plumbing, pipe-fitting, sheet metalwork and tinsmithing.
24. Foundry work—moulders and core makers.
25. Shoe repairing.
26. Meat packing, marketing and butchering.
27. Baking and catering.
28. Electrical work.
29. Printing trades.
30. Patternmaking.
31. Domestic service.
32. Laundering, pressing, cleaning and dyeing.
33. Law.
34. Professional health services—medicine, dentistry, nursing, pharmacy and public health.
35. Boiler making.
36. Blacksmithing.
37. Commercial art and advertising.
38. Accountacy and bookkeeping.
39. Social services.
40. Engineering—chemical, civil, metallurgical, mechanical, architectural, et cetera.
41. Journalism.
42. Scientific agricultural and veterinary services.
43. Librarianship.
44. Photography.
45. Household science.
46. Stationary engineering.
47. Police and fire services.
48. Undertaking and embalming.
49. Pottery work—brick and tile, clay and glass.
50. Personnel work.

It is felt that these manuals, covering as they do the history of the job and the nature of the work, the qualifications required, the training for the occupation, the opportunities for employment, the possibilities of advancement and the compensation, will be invaluable in connection with assisting service personnel with their study of occupations. Hon. members will be interested to know something of the very great care which has

been taken in the preparation of these manuals. I should like, therefore, to mention a few of the titles, also the authors, as follows:

"How to Choose Your Job"—E. F. Sheffield, registrar and vocational counsellor, Sir George Williams College, Montreal.

"Accountancy and Bookkeeping"—Mr. Hilmer, commercial teacher in the Stamford Collegiate, Ontario.

"Engineering"—Being prepared by The Engineering Institute of Canada.

"Building Trades"—The Director of Apprenticeship, Department of Labour, Ontario.

"Graphic Arts"—Prepared by the executive secretary of the Toronto Graphic Arts Association.

"Home Economics"—Dr. Grace Hood, head of the Home Economics Department, University of Manitoba.

"The Ceramic Industries"—Professor R. J. Montgomery, University of Toronto, Dept. of Ceramics.

Three books on Agriculture—Being prepared by officials of the federal Department of Agriculture, through the Canadian Association of Technical Agriculturists.

"Automotive Repairing and Garages"—Being prepared by The Ontario Garage Operators' Association.

"Machinists"—Prepared by E. Slade, teacher, Western Technical Commercial School, Toronto.

"Salesmanship"—A. E. Wall, secured under the supervision of the Canadian Life Underwriters' Association.

"Social Services"—Prepared by the Montreal School of Social Work.

"Homemaking"—Mrs. D. S. Rawson, Saskatoon.

"Textile Industries"—Major D. Hallam of the Textile Institute of Canada.

"Wholesale and Retail Trade Distribution"—Mr. G. S. Hougham, secretary, National Retailers' Association.

"Civil Service"—Dr. Moffatt, Civil Service Commission, Ottawa.

"Barbering and Beauty Culture"—By Director of Apprenticeship, Ontario.

"Meat Packing"—Being prepared by Swift Canadian Company.

"Personnel Work"—Being prepared by the personnel division of the Massey Harris Company Limited.

Mr. GREEN: Has the minister figures showing how many men have taken these courses in the pensions and national health hospitals?

Mr. LaFLECHE: I have not the final figures as to the total number of men in these hospitals taking these courses, but that information is being obtained for me and I shall pass it on later, if I may.

I think the hon. member for Vancouver South will find this of some interest. The hon. member for Hastings-Peterborough, on Monday last, the 24th of April, inquired as to the number of certificates issued by Canadian Legion educational services. I might explain that three types of certificates are issued:

1. Certificate for correspondence course completion.

2. Certificate for partial completion of correspondence courses.

3. Certificate of achievement.

1. In this connection I should like to indicate to the committee the procedure which has been set down in order that students may qualify for these certificates. The student studies his booklets and forwards exercises to his correspondence instructor as he completes them. While his first exercise is being marked by the instructor, the student continues with paper No. 2 in order that no time may be wasted. The exercise is marked and is returned to the student, together with necessary explanations and additional instructions as to how he should procure the maximum advantage from the correspondence system of study. When the student has completed the ten papers, that is half a course, an examination is forwarded to the commanding officer who ensures that the man writes it under supervision. It is then returned to the correspondence instructor by the education officer. A similar procedure is following with the remaining ten papers and a final test is sent to him through the commanding officer on the completion of the twentieth paper. This again is written under supervision and is returned to the correspondence instructor. In all these exercises and examinations the standards of provincial departments of education are maintained. The marks gained on each of the twenty papers, plus those gained on the two supervised examinations, are averaged and the student is awarded the certificate which carries academic credit for the subject studied in all departments of education in Canada and Newfoundland.

In addition to this, the standing granted is indicated on sections 4 and 5 of his application form. Section 4 is forwarded to the officer in charge of records at national defence headquarters in Ottawa in order that it may be affixed to his permanent service records here, and section 5 is forwarded to the officer in charge of his unit in order that it may be attached to his unit papers. In this way commanding officers are made aware of the names of service personnel who are interested in advancing their own welfare. Other things being equal, we have no doubt that these are the personnel who will be chosen for whatever promotions will be available.

2. Certificates of partial completion are issued to students who are not primarily interested in academic credit at the present time but who, at a later date, may wish to continue their correspondence studies when the exigencies of the services so permit. In such cases a certificate of partial completion, showing the marks gained on the work actually done, is awarded in order that the student may continue his course with no difficulty at all on the production of the certificate of partial completion.

3. Certificates of achievement are also issued for work done in Canadian Legion educational services classes. These certificates may be evaluated for academic credit in the cases where the duration of the instruction and subjects covered are acceptable to provincial departments of education, but generally they are issued for non-credit purposes. For example, men who have studied the very elementary English course and have achieved a certain literacy in English are very proud to have their achievement recorded on certificates of this type.

Again, many service personnel make use of these classes as refresher courses and as courses to provide them with sufficient background to accept promotion within the services.

I have a table showing the number of certificates issued. It covers a full page, and with the permission of the committee I should like to place it on the record.

The ACTING CHAIRMAN (Mr. McCann): By unanimous consent.

Some hon. MEMBERS: Carried.

Mr. LaFLECHE: The table is as follows:

	(1) Certificates for correspondence course completion	(2) Certificates for partial completion of correspondence courses	(3) Certificates of achievement
1941	111		
1942	947	For the entire period,	For the entire period,
1943	1,450	there have been issued	there have been issued
1944 (3 months)	452	15,000	4,192
Total	2,960	15,000	4,192

Total of courses as referred to above	22,152
University courses	242
Grand Total	22,394

It should be explained that not all students participating are desirous of obtaining credits—certificates are issued upon request only.

Correspondence courses taken—		
Canada and Newfoundland	129,361	
Overseas	33,739	
		163,100
Classes (attendance) taken—		
Canada and Newfoundland	196,849	
Overseas	94,250	
		291,099
University courses		242
Grand Total		454,441

Item agreed to.

Progress reported.

On motion of Mr. Mackenzie (Vancouver Centre) the house adjourned at 10.55 p.m.

Monday, May 15, 1944

The house met at three o'clock.

CHINESE IMMIGRATION

TABLING OF REGULATIONS GOVERNING TEMPORARY VISITS AND TRANSITIONAL PASSAGE

Hon. T. A. CRERAR (Acting Secretary of State for External Affairs): I desire to lay on the table copy of an order in council passed on May 5 affecting the movement of Chinese into Canada and out of Canada. The house will recall that on April 17 the Prime Minister informed the house that a draft immigration treaty with China was under consideration which would establish on a mutual and reciprocal basis the admission to each country of approved categories of persons from the other. Pending the bringing into effect of this treaty the order in council, which is No. P.C. 3378, has been passed. It covers Chinese persons wishing to pass through Canada in transit to another place, and also Chinese persons who wish to come here for temporary visits. Henceforth the persons involved will be dealt with under the ordinary provisions of the Immigration Act. In addition, the order modifies some provisions which hitherto restricted the position of Chinese residents in Canada who wished to go outside the country for a visit and subsequently return.

I might add that the order in council changes only the regulations governing temporary visits and "in transit" passage, and does not affect the provisions governing entry to Canada for permanent residence. These have been left for settlement in the treaty negotiations of which the Prime Minister spoke.

Mr. HANSON (York-Sunbury): Are the provisions of the Atlantic charter given effect?

Mr. CRERAR: I am not aware just in what way the provisions of the Atlantic charter would apply to this particular matter—

Mr. HANSON (York-Sunbury): The minister had better read it up.

Mr. CRERAR: —but I presume they have been in mind in the discussions which have taken place with the Chinese government in respect to a new treaty governing it.

CHINESE NATIONALS

REMOVAL FROM TRAIN PROCEEDING TO CANADA FROM THE UNITED STATES

Mr. GORDON GRAYDON (Leader of the Opposition): Arising out of the statement which the minister has just made, I desire to ask whether he has seen the latest issue of the *New Republic,* which renews the controversy with respect to a girl of Chinese origin who was taken off a train at Buffalo. I understand that the question is now put up squarely to the government—not perhaps that the person involved in the commission of this act was a Canadian; the statement of the Prime Minister and of the minister in that respect apparently is correct—but the point now raised is that it was done in accordance with Canadian law. I should like the minister to look into that matter, because the article brings the point up again. I wish the minister would look at the latest issue of the *New Republic,* which deals with the matter.

Hon. T. A. CRERAR (Acting President of the Council): I have not seen the issue of the *New Republic* and the article to which my hon. friend alludes. It was brought to my attention over the telephone this morning by the director of immigration.

Mr. GRAYDON: The article was?

Mr. CRERAR: I am speaking of the article. Of course under the law as it stood—that is, the Chinese Immigration Act—people of the Chinese race were prohibited entry to Canada except under certain conditions. In the incident in question the lady involved was not put off the train or asked to leave the train by a Canadian immigration official—which was the statement made, as I recall, in the original article in the *New Republic.*

Mr. GRAYDON: That part was correct.

Mr. CRERAR: That is correct. The surmise is that some official, railway or other, in the United States, suggested or asked her to leave the train because she did not have a bond, I assume, permitting her to cross Canada, in accordance with the provisions of the Chinese Immigration Act. The whole incident was very regrettable, and I may say that the order in council which I have just tabled will prevent the recurrence of any such incidents.

QUESTIONS

(Questions answered orally are indicated by an asterisk)

WAR RISK INSURANCE

Mr. FRASER (Peterborough West):

1. What is the amount of war risk insurance sold?
2. What was the amount of the premiums?

3. What was the cost to the government?

4. Have any claims been made under war risk insurance?

5. If so, what were the claims?

Mr. ILSLEY:

1. To March 31, 1944, $3,611,370,271 (preliminary).

2. The premiums paid to March 31, 1944, totalled $7,689,695.

3. To March 31, 1944, $509,070.59 (preliminary).

4. Yes.

5. Three claims have been admitted in the amount of $435.

Note: The answers to questions 1 and 2 do not include insurance on grain or dominion government property.

OLD AGE AND BLIND PENSIONERS—ADDITIONAL PAYMENTS

Mr. RAYMOND:

1. Has the dominion government entered into agreements with the provinces as to additional payments to beneficiaries of old age pensions and pensions to the blind, as authorized by order in council 6367, dated August 10, 1943?

2. If so, (a) with what provinces did the government enter into such agreements; (b) on what date were such agreements entered into with each province; (c) what additional amounts are being actually paid by each province, pursuant to said agreements, to beneficiaries of old age pensions and pensions to the blind, under its jurisdiction; (d) what are such additional payments for each of the two classes of beneficiaries?

Mr. ILSLEY:

1. Yes.

2. (a) All provinces; (b) The effective date of the agreement with each province was as follows:

British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, September 1, 1943.

Nova Scotia, P.E.I., October 1, 1943.

Ontario, New Brunswick, November 1, 1943.

(c) and (d) The dominion publishes only the amounts paid by the dominion to the provinces for old age pensions and pensions in respect of blindness.

Order in council P.C. 6367 provides that the amount required to pay the dominion's share of the increase in the amount of pensions paid under the authority of the order in council shall be a charge upon the war appropriation. The amounts charged to the war appropriation for payments to the provinces from the effecitve date to March 31, 1944, are as follows:

Province	Old age	Blind
Alberta	$ 215,632 25	$ 5,614 75
British Columbia	325,234 26	7,849 81
*Manitoba	288,541 49	8,285 86
New Brunswick	39,550 93	9,306 74
Nova Scotia	52,258 72	4,815 32
Ontario	850,558 99	24,532 09
P.E.I.	31,213 58	2,251 22
Quebec	1,135,904 54	56,417 19
Saskatchewan	292,829 87	7,873 09

* Manitoba payments made in fiscal year 1944-45.

CANADIAN FORCES—AGRICULTURAL WORKERS

Mr. RAYMOND:

1. How many agricultural workers were called for a second medical examination?

2. What was the cost of such medical examinations before the boards of review?

Mr. MARTIN: It is not possible to answer this question, as the files of men in the registrar's offices are kept in numerical sequence according to their call-up numbers. There is no grouping from the record by occupation. Consequently the hon. gentleman may agree to have the question dropped.

Question dropped.

CONTINENTAL GLOVE COMPANY—AIRMEN'S GLOVES

Mr. FRASER (Peterborough West):

1. Did the Continental Glove Company of Montreal receive a contract from the government for the lining of airmen's gloves?

2. If so, was the lining to be shorn lamb?

3. Were the gloves lined with shorn lamb?

4. If not, what substance was used in the lining?

5. Who did the inspection of these linings?

6. Did the inspector that first inspected the linings pass them?

7. If not, who did pass the linings?

Mr. POWER:

1. Yes.

2. Yes.

3. No.

4. Imitation lamb skin.

5. The Inspection Board of United Kingdom and Canada.

6. No.

7. As shorn lamb lining was not obtainable in sufficient quantity, the specifications for airmen's gloves were modified by the supply division of the R.C.A.F. to allow the substitution of imitation lamb skin.

PORTNEUF, QUE., RURAL MAIL ROUTES

Mr. GAUTHIER:

1. How many rural mail contracts have been renewed, each year since 1942 inclusive, in the county of Portneuf?

2. How many holders thereof have been changed during said period?

3. What are the names of the new holders, the amount of their tenders, and the designation or number of their routes?

4. How many contracts have been increased in price without change of holders, and what are the designation or number, and the district of the routes therein mentioned?

Mr. MULOCK:

1.

Calendar year	
1942	9
1943	14
1944 (to date)	9

2.

1942	5
1943	7
1944 (to date)	2

3. Name of new holder—Amount of Tender —Mail Service

Louis Briere, $600, Pont Rouge Rural Route No. 1.

Mrs. R. D. Thibault, $590, Portneuf Station Rural Route No. 2.

Emilien Naud, $692, St. Alban Rural Route No. 1.

Henri Belanger, $660, St. Casimir Rural Route No. 2.

Jos. Paquin, Transfer, Stage Service-Montauban & Montauban les Mines.

Benoit Douville, Transfer, Stage Service-St. Alban & Railway Stn. (Lachevrotiere).

Joseph Genest, $385, Side Service—Atlantic & Ry. Stn.

Bruno Viellette, $351, Side Service-Hervey Junction & Ry. Stn.

Henri Cloutier, $480, Side Service-Lac Edouard & Ry. Stn.

Mrs. Rose Belle-Isle Trottier, Transfer, Side Service-Lachevrotiere & Ry. Stn. (2).

Henri Bertrand, temporary arrangement without tenders, Side Service—Montauban & Ry. Stn.

Roland St. Amand, $350, Side Service—Montauban & Ry. Stn.

Charles E. Rochette, $391.25, Side Service—St. Augustin de Quebec & C.N. & C.P. Stns.

Albert Martel, $159.50, Side Service—St. Casimir & Ry Stn.

4. Fifteen.

Pont Rouge Rural Route No. 2.

Portneuf Station Rural Route No. 1.

Shannon Rural Route No. 1.

St. Casimir Rural Route No. 1.

St. Ubald Rural Route No. 1.

Stage Service Chute Panet & Ry. Stn.

Stage Service Montauban & Montauban les Mines.

Stage Service St. Alban & Ry. Stn. (Lachevrotiere).

Stage Service St. Casimir & St. Ubald.

Side Service Deschambault & Ry. Stn.

Side Service Lac aux Sables & Ry. Stn.

Side Service Neuville & Ry. Stn.

Side Service Pont Rouge & Ry. Stn.

Side Service Ste. Catherine & Ry. Stn.

Side Service St. Raymond & Ry. Stn.

SPIRITUOUS LIQUORS IN BONDED STORAGE

Mr. TUSTIN:

1. What was the total amount, in gallons, each of whiskey, brandy, gin and rum in bonded storage in Canada on March 31, 1944?

2. How many gallons of each were released from bond during the year ending March 31, 1944?

Mr. GIBSON:

1 and 2. The excise division maintains records of the quantity of spirits held in or released from bond, but no differentiation is made in the type of spirit.

MOBILIZATION ACT—MALE CANADIANS IN THE UNITED STATES

Mr. DIEFENBAKER:

1. How many male Canadians between 18 and 38 years of age are there in the United States of America who have not become nor have made preliminary applications with a view to becoming United States citizens?

2. Are such persons subject to the provisions of the National Resources Mobilization Act?

Mr. MARTIN:

1. No information is available.

2. Any Canadian who resides in the U.S.A. is not subject to The National Selective Service Mobilization Regulations 1944, nor can he be extradited for an offence under these regulations. If between 18 and 38 years of age and if he resides for a period of three months in the U.S.A., he becomes liable for service in the American armed forces. At that time, he has the option of serving in the Canadian army. If he so wishes, and is found acceptable, he is attested by Canadian authori-

ties in the United States for general service in the Canadian army and is returned to Canada for military duty. Americans in Canada are governed by similar regulations.

HOOPER HOLMES BUREAU—ASSOCIATED CREDIT BUREAUX

Mr. BENCE:

1. In what cities in Saskatchewan do either the Hooper-Holmes Bureau, or the Associated Credit Bureaux, or both, which were referred to in the statement of the Minister of Labour of April 28, 1944, have branches or agents?

2. What are the names and office addresses of such branches or agents?

Mr. MARTIN:

1. Regina (Associated Credit Bureau).

2. Retail Merchants Association of Canada Inc., 504 Kerr Building, Regina, Saskatchewan.

CANADIAN AMBASSADORS—LANGUAGE USED ON LETTERHEADS, ETC.

Mr. DORION:

What is the language used by Canadian ambassadors in the various countries in which they represent Canada, (a) in the case of outdoor signs showing the building or offices occupied by them; (b) on letterheads used in the course of their official duties; (c) on all printed forms used in the course of their duties?

Mr. ST. LAURENT:

(a) The outdoor signs are prepared locally on the instructions of each ambassador, and it is left to his discretion to determine what languages should be used having regard to the language of the country.

(b) Both French and English.

(c) English is usually employed on forms for purely internal use inside Canadian embassies. The languages used on other printed forms depend on the language and custom of the country concerned.

PERMITS FOR PURCHASE OF NEW TRUCKS

Mr. RAYMOND:

1. How many permits have been granted for the purchase of new trucks since the 1st January, 1944, in the province of Quebec?

2. What are the names of the persons to whom such permits were granted?

Mr. HOWE:

1 and 2. Permits issued for the release of trucks are not recorded by provinces but are classified in essentiality groups. Please refer to page 2801 of *Hansard* for the list of trucks released for war work and essential services.

[Mr. Martin.]

INTERNMENTS—ALOIS N. SCHNEIDER

Mr. BENCE:

What were the conditions existing on June 10, 1940, which satisfied the Minister of Justice that one Alois N. Schneider should be interned?

Mr. ST. LAURENT: The war situation in Europe and the general apprehension of possible subversive (fifth column) activities extending to Canada.

FLOUR PRICES

Mr. PERLEY:

What was the sales price of Canadian flour, both for mutual aid and other export, (a) per 100 pounds; (b) per barrel of 196 pounds, (i) f.o.b. Saint John, New Brunswick, (ii) f.o.b. Vancouver, British Columbia, as of each week-end since January 1, 1944?

Mr. MacKINNON (Edmonton West):

For mutual aid, per 280 pounds of G. R. flour in 140 pound jute sacks (1).

Month of Shipment from mill (2)	f.o.b. Saint John N.B.		fo.b. Vancouver B.C.
January	$ 80- 9 30	(3)	I8 95
February	9 35		9 00
March	9 40		9 05
April	9 40		9 05
May	9 40		9 05

For other export, no information available, since this is private trade.

(1). No shipments made, and no quotations available per 100 pounds; or per barrel of 196 pounds.

(2). Prices are the same for each month of shipment.

(3). Early in September, 1943, certain mills entered into contracts for January shipment at $8.80. Contracts for January shipment entered into after September 27, 1943, were made at $9.30.

*RADIO BROADCASTING—WALTER WINCHELL

Mr. BRUCE:

1. At whose instance did the American columnist and broadcaster, Mr. Walter Winchell, recently visit Canada?

2. Did the wartime information board furnish him with the material which he has used in recent articles and broadcasts in the United States?

3. What remuneration did Mr. Winchell receive from the Canadian treasury for his services in this connection?

Mr. CRERAR: I can give an oral answer to this question. In regard to part 1 of the question, the government has no information as to when Mr. Winchell was last in Canada, if indeed he has ever been here. It is reported that he stated in a broadcast last night that

he had not been in Canada since 1914. In regard to part 2, the wartime information board did not furnish to Mr. Winchell the information upon which he based his article. As the house is well aware, the wartime information board has disseminated pretty widely in the United States information regarding Canada's war effort, and it is possible, probably it may be presumed, that Mr. Winchell obtained in that way the material upon which he based his article. My colleague the Minister of Finance (Mr. Ilsley) mentions to me that question 2 deals also with broadcasts. What I have said about information from the wartime information board applies to broadcasts as well. In regard to part 3, the government of course did not pay Mr. Winchell from the Canadian treasury for any service to Canada that he may have rendered in this connection.

May I add this? It is unfortunate that this question was asked.

Mr. HANSON (York-Sunbury): Why? That is not a part of the answer—

Some hon. MEMBERS: Order.

Mr. HANSON (York-Sunbury): —and it is not in order.

Mr. CRERAR: Mr. Winchell—

Mr. HANSON (York-Sunbury): Order.

Mr. CRERAR: —voluntarily gave wide publicity in the United States to an article—

Mr. HANSON (York-Sunbury): Order.

Mr. CRERAR: —which paid a very generous tribute to the war effort of the Canadian people—

Mr. HANSON (York-Sunbury): The government.

Mr. CRERAR: It was a generous tribute to the war effort of the Canadian people—

Mr. HANSON (York-Sunbury): To the government, not the Canadian people.

Mr. CRERAR: —and the implication is quite clearly conveyed in this question that there were ulterior considerations possibly involved in that. I wish to repudiate wholly that suggestion.

Mr. HANSON (York-Sunbury): Mr. Speaker, on a point of order, I submit that that is not part of the duty—

Some hon. MEMBERS: Order.

Mr. HANSON (York-Sunbury): All right; let us have a little quiet for a change. I submit that under the rules the last statement of the minister is entirely out of order

Mr. MACKENZIE (Vancouver Centre): He is answering a question.

Mr. HANSON (York-Sunbury): It is not an answer to the question asked and should be stricken from the record.

Mr. CRUICKSHANK: What about the question?

Mr. RALSTON: I would have expected my hon. friend to hang his head in shame at the question—

Some hon. MEMBERS: Hear, hear.

Mr. RALSTON: —and I suggest, on a point of order, that it is in order for a member of the government, when a suggestion such as this is put upon the record, with respect to a man who has seen fit to pay a generous tribute, and a true tribute, to Canada's war effort—I submit, I say, that it is perfectly in order for a member of the government to indicate that the attributing of ulterior motives is entirely out of order and should not be done.

Mr. GRAYDON: Mr. Speaker, now that we have had some discussion with respect to this particular question, I wonder if I may say a word in connection with it. I have not had the opportunity of hearing the broadcast which is mentioned in the question, nor have I had the opportunity of reading the article to which it refers—

Some hon. MEMBERS: Oh, oh.

Mr. GRAYDON: Of course, I am so busy trying to read "Canada At War" and other paid publications that it is difficult to keep up with all these things.

Mr. MACKENZIE (Vancouver Centre): Read *Public Opinion.*

Mr. GRAYDON: For the most part the cabinet is engaged with it and it is hard to get a copy. May I say that everyone will be in agreement that we should not discourage in any way other nations from praising our war effort, so far as the Canadian people are concerned. I think there will be general unanimity in the house on that point. Our real problem, however, amounts to this, and it is a very simple one, particularly in a year when perhaps, with the heat of elections that are approaching, it is very difficult at times to distinguish between praising of the Canadian people's war effort and praise of the effort of members of a one-party government and its Prime Minister who is running the war at the present moment.

Mr. SPEAKER: Order.

Mr. GRAYDON: Mr. Speaker, we may as well be frank about this. There is no desire to be acrimonious on the point at all, but when the leader of the government makes the statement he does, I think it is well to put this on the record, because so far as we are concerned—

An hon. MEMBER: You are ashamed.

Mr. GRAYDON: Perhaps my hon. friend will allow me to finish at any rate. The fact is that in all these things which have arisen from time to time, such as this, it is well for Mr. Winchell and other gentlemen in the United States, and in other countries as well, to know that it has all stemmed not from what they honestly think and say with respect to the domestic situation here, but from the fact that rightly or wrongly, and I think wrongly, the Canadian war effort, because the government has so decided, has been run by a one-party administration. These things stem of course from that cause.

Mr. RALSTON: I think I have a right to say a word on that. My hon. friend has put his finger right on it. If it is going to be regarded as a cardinal principle that we cannot have any praise of Canada's war effort for fear it might possibly enure to the benefit or the credit of the administration, then it has come to a sad pass in this country. If my hon. friend and the hon. member for York-Sunbury (Mr. Hanson), as well as the hon. gentleman who asked this question, are so thin-skinned about it, then it seems to me it indicates perhaps that they have not a proper appreciation of the responsibilities of public men.

Mr. HANSON (York-Sunbury): Thanks for the lecture.

Mr. RALSTON: I happen to have in my hand the statement which was made by Mr. Winchell. I had not seen it before, but I have glanced through it. There is not one sentence in it which by the wildest stretch of the imagination could be regarded as giving credit to any particular government. As my colleague the Minister of Mines and Resources (Mr. Crerar) has said, the whole statement is with regard to the effort of the Canadian people.

I think my hon. friend will join with me in this. I think we would feel very badly if we happened to praise the United States' war effort, happening to come as it does under the administration of President Roosevelt, and then found ourselves pilloried by questions in the *Congressional Record* asking whether or not we were in the pay of the United States government or the United States administration. That is the imputation that is cast on Mr. Winchell, and that is the imputation that my colleague the Minister of Mines and Resources properly undertook to refute in the statement that he made.

Mr. GRAYDON: I can hardly think that the Acting Prime Minister (Mr. Ralston) was attempting to indicate that so far as we were concerned there was a desire on the part of any of us to prevent discussion or a description of Canada's war effort. I think I made it clear at the beginning that I had not seen the article, and more than that if it were the kind of article that is sometimes put out giving praise not to the Canadian people but to others, then there is justification for criticism on that score. I do not think we are very far apart in this matter, but I do think when it is remembered that we have a one-party administration it is obvious that these questions will crop up. It is difficult at times to avoid them.

Mr. RALSTON: All I can say is there appeared to be an attempt to question the good faith and accuracy of statements made by a gentleman in commendation of Canada's war effort. That was the desire.

Mr. GRAYDON: We did not suggest any such thing.

Mr. COLDWELL: Has this not gone on long enough?

INTERNMENTS—ALOIS N. SCHNEIDER

Mr. BENCE:

1. How many applications did Alois N. Schneider make for his release from internment under the provisions of the defence of Canada regulations?

2. How many of such applications were considered by advisory committees under the provisions of the defence of Canada regulations?

3. On what dates were such applications heard?

4. What were the decisions of the advisory committee in each case?

Mr. ST. LAURENT:

1. Three.

2. Three.

3 and 4.

Date of application—Date of hearing—Decisions

Sept. 23, 1939; Dec. 4, 1939; no recommendation.

July 9, 1942; Sept. 22, 1942; continued detention.

Oct. 16, 1943; about Feb. 16, 1944; conditional release.

QUESTIONS PASSED AS ORDERS FOR RETURNS

MOBILIZATION ACT—MARRIED MEN

Mr. DIEFENBAKER:

How many married men over twenty-five years of age have been called up for military service under the provisions of the National Resources Mobilization Act, (a) since the act came into force; (b) since the 1st day of January, 1944, by (i) military districts, (ii) mobilization districts?

RADIO BROADCASTING LICENCES

Mr. DIEFENBAKER:

1. Have any radio broadcasting licences been applied for during the past year?
2. If so, who were the applicants in each case?
3. What decision has been made in each case?

Mr. HOWE: Return tabled.

SWITLIK CANADIAN PARACHUTES LIMITED—LALONDE AND VALOIS—J. FRANCOIS LEDUC

Mr. LACOMBE:

1. Have Lalonde & Valois, engineers, 606 Cathcart street, Montreal, obtained contracts from the dominion government, and are they associated with Switlik Canadian Parachutes Limited, 3575 St. Lawrence street, Montreal?
2. If so, for what total amount since 1939, and for what amounts in each of the years 1939, 1940, 1941, 1942, 1943 and 1944?
3. Has J. François Leduc, consulting engineer, 354 St. Catherine street east, Montreal, obtained sub-contracts from the dominion government, and is he associated with Switlik Canadian Parachutes Limited, 3575 St. Lawrence street, Montreal?
4. If so, for what total amount during each of the years above-mentioned?
5. How much money has been paid to him by the government up to the present?

FUNDY CONSTRUCTION COMPANY

Mr. BLACK (Cumberland):

1. What contracts, extensions of contracts or sub-contracts have been entered into or approved since November 1, 1941, with the Fundy Construction Company Limited by the Department of Public Works, the Department of Mines and Resources (national parks branch), the Department of Transport and the Canadian National Railways, the Department of Munitions and Supply, the Department of National Defence, the Department of National Defence for Naval Services, the Department of National Defence for Air Services or other departments of the government?
2. What were the dates of such contracts, extensions of contracts and sub-contracts, and the estimated costs of each?
3. What payments have been made on account of each such contract, extension and sub-contract?
4. What sums have been claimed by contractor as "extras" on each such contract, extension or sub-contract?
5. What is the nature of each claim?
6. What payments have been made on account of each claim for "extras"?
7. What claims have been rejected?
8. What claims were being considered on April 30, 1944?
9. What is the amount of each?
10. What further sums are estimated as being required to complete each such contract, extension and sub-contract?
11. When is it expected that same will be completed?

GOVERNMENT EMPLOYEES AS OF MARCH 31, 1944

Mr. McGREGOR:

1. How many government employees, both permanent and temporary, including those working on wartime boards, were there as of March 31, 1944?
2. How many were there on March 31, 1943?

BOARDS AND COMMISSIONS

Mr. DORION:

1. How many boards or commissions were appointed since September 3, 1939?
2. How many orders were made by each of such boards or commissions?
3. How many of said orders were made for each of the federal departments?
4. How many actions were instituted under said orders?

SUNNYBROOK, TORONTO, SOLDIERS' HOSPITAL BUILDINGS

Mr. CHURCH:

1. Have tenders been called for the erection of any portion of the new soldiers' hospital buildings at Sunnybrook, Toronto; what progress has been made on calling for tenders; for what part of the new hospital, and at what time is it estimated that actual building operations will be commenced?
2. What has been done to build improved roadways to and on the property; to provide transportation facilities to hospital, and other municipal services such as sewers and water supply?
3. What additional hospital accommodation has been provided at Toronto for soldiers since the last session of parliament in 1943?

HOUSING—TORONTO

Mr. CHURCH:

1. Has the government any plans for building houses in Toronto to relieve the scarcity of small houses there?
2. If so, what are such plans, (a) for wartime houses; (b) for small houses for soldiers; (c) for civilians?
3. Are negotiations pending with the city government on any such plan or plans?
4. If so, what reply has the city given, and what action has or will be taken by the government?

MOBILIZATION ACT—EXEMPTION OF ALIENS

Mr. GREEN:

1. What are the respective nationalities of the 9,867 aliens, referred to at page 2627 of *Hansard*, who have signed the declaration set out in schedule "A" to national selective service

mobilization regulations 1944 (P.C. 1355), in which exemption is claimed from the provisions of such regulations?

2. How many of each nationality were in each administrative division?

VALCARTIER CAMP—FIREWOOD

Mr. LaCROIX (Quebec-Montmorency):

How many cords of firewood were sold and delivered to Valcartier camp from May 1, 1942, to May 1, 1944, showing, (a) names of dealers; (b) date of deliveries; (c) price?

MOTIONS FOR PAPERS

CHERRIER WAR PLANT

Mr. DIEFENBAKER:

For a copy of all correspondence exchanged between the Department of Munitions and Supply and Canadian Car Munitions Limited in relation to the Cherrier war plant in connection with the termination of operation of the said plant by the said company and the placing of said plant in charge of Defence Industries Limited.

WINNIPEG HYDRO-ELECTRIC—SLAVE FALLS PLANT

Mr. KNOWLES:

For a copy of all correspondence in the possession of the construction controller, or any official or department of the government, relating to the application of the city of Winnipeg hydro electric system for a permit to commence preliminary work on the extension of its Slave falls plant.

Mr. HOWE: Return tabled.

HOUSING—WINNIPEG—MONTREAL—LOW RENT DWELLINGS

Mr. KNOWLES:

For a copy of the letter written to Mr. G. F. Bentley, city clerk of Winnipeg, by the Minister of Finance, as reported in *Hansard* on page 2705; also a copy of all correspondence exchanged between the Department of Finance and the group of citizens in Montreal, with reference to the current plan for the building of low-rent dwellings in Montreal.

ROYAL CANADIAN MOUNTED POLICE

INQUIRY AS TO THE REOPENING OF THE CORONER'S INQUEST ON THE DEATH OF YOUNG GUÉNETTE

On the orders of the day:

Mr. LIGUORI LACOMBE (Laval-Two Mountains) (Translation): Mr. Speaker, I wish to direct a question to the hon. the Minister of Justice (Mr. St. Laurent). Has the attorney-general of Quebec communicated with the Department of Justice about the reopening of the coroner's inquest in the case of young Guénette who was recently shot dead under the rule of the Royal Canadian Mounted Police?

[Mr. Green.]

Hon. LOUIS S. ST. LAURENT (Minister of Justice) (Translation): Mr. Speaker, the terms which the hon. member has used in asking his question are not in accordance with the verdict returned as a result of the coroner's inquest. Notwithstanding the terms he has used, I may answer him at once that I have so far received from the attorney general of Quebec no communication whatever in that connection.

ALASKA HIGHWAY

OPENING BY UNITED STATES MILITARY AUTHORITIES OF OFFICE IN VANCOUVER

On the orders of the day:

Mr. PAUL MARTIN (Parliamentary Assistant to the Minister of Labour): On Friday the hon. member for the Yukon (Mr. Black) asked the Secretary of State the acting Minister of Labour certain questions. The Secretary of State said that he would endeavour to have the questions answered to-day. I now have the answers. They are as follows:

The United States military authorities have not opened an office in Vancouver, B.C., to recruit labour for the Alaska highway. The United States authorities have, however, maintained an accounts office in Vancouver for the past eighteen months.

The accounts office referred to is not attempting to hire men in Vancouver for the Alaska highway and no requests for men to work on this highway have been placed with the national selective service office at Vancouver.

The Standard Oil company placed an order for seventy-five men for the Canol Oil Refinery project, which was later reduced to eight men.

The net unfilled vacancies for male and female workers at Vancouver on February 24 and May 4 of this year were 3,618 and 6,486 respectively.

INCOME TAX

DEDUCTIBLE ALLOWANCES FOR UNUSUAL MEDICAL EXPENSES

On the orders of the day:

Mr. G. K. FRASER (Peterborough West): Last week the Minister of National Revenue made a statement in Hamilton to the effect that by a recent ruling of the income tax department deductible allowances for unusual medical expenses provided by the Income Tax Act had been extended to apply to osteopaths and chiropractors, physiotherapists and others registered under any dominion or provincial legislation. Will the minister tell us

if this was announced in the House of Commons; and also if chiropodists come under this ruling?

Hon. C. W. G. GIBSON (Minister of National Revenue): When I was in Hamilton I did make an announcement concerning a ruling that had been made under the Income War Tax Act as to those who are entitled to be included under the clause in the Income War Tax Act dealing with unusual medical expenses. The act provides that certain practitioners who are licensed in the provinces come within a certain class. The accounts of these people may be allowed as a medical expense. The ruling includes osteopaths and chiropractors if they are registered in their province and have a licence to practice in that province. I would not want to make a ruling with regard to all branches of the medical profession until details of their qualifications are put before me.

Mr. HANSON (York-Sunbury): Does it apply to Christian Science healers?

Mr. GIBSON: As I have said, I would not want to answer that question without full details of their qualifications

BUILDING MATERIALS

PROJECTS FOR COMMUNITY PURPOSES

On the orders of the day:

Mr. D. G. ROSS (St. Paul's): I have a communication from the Board of Education of the city of Toronto stating that they have asked for permits to build an addition to Perth avenue school for community purposes as well as two other capital projects for community purposes in that city. A survey has been made and it is necessary to have this work done for community purposes. Several other schools in Toronto and neighbourhood have been granted permits. I wonder if the Minister of Munitions and Supply could indicate when we may have those permits.

Hon. C. D. HOWE (Minister of Munitions and Supply): I must advise my hon. friend that the steel situation is very tight at the moment. The situation has varied from time to time. It passed from a period of stringency into a fairly easy position for a few months. It has now reverted to a period of stringency. I suggest that these applications be filed, and consideration will be given to them as soon as the steel situation again eases to the point where the necessary materials can be furnished.

WAR APPROPRIATION BILL

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

The house resumed from Friday, May 12, consideration in committee of a resolution to grant to His Majesty certain sums of money for the carrying out of measures consequent upon the existence of a state of war—Mr. Ilsley—Mr. Bradette in the chair.

DEPARTMENT OF JUSTICE

Administration of the defence of Canada regulations, $30,000.

Mr. BENCE: I should like the Minister of Justice to give the committee a review of the general principles now applicable in reference to the release of men from internment camps. Considerable agitation has been aroused in this country by the recent release of three men named Joseph Farr, John Lorimer and Alois N. Schneider. I do not know very much about the first two, who I understand were incarcerated because of their fascist leaning, but I do know something about the last named, who comes from Saskatchewan. I understand that these men were interned because they were believed to be in sympathy with the German reich. If that was the reason for their internment, I suggest that conditions have not altered sufficiently to justify the administration in concluding that they now should be released.

This man Schneider, who lives in the northern part of Saskatchewan, was interned on September 5, 1939; he was picked up by the Royal Canadian Mounted Police, presumably because they had information that he was the type of man likely to be dangerous in time of war. Subsequently, after considerable pressure had been brought to bear, he was released on December 21, 1939. I may add that the information in connection with this matter is contained in a question asked by myself and answered by the minister on May 4 of this year, and appearing in *Hansard* of that date. This man Schneider was out of the internment camp from December 21, 1939, to June 10, 1940, when he was again incarcerated. According to an answer given me by the minister to-day, he was placed in the internment camp on the second occasion for this reason:

The war situation in Europe and the general apprehension of possible subversive (fifth column) activities extending to Canada.

I should like to know whether the minister and the administration believe the situation to be any less tense to-day, so far as Europe is concerned, than it was at that time, and whether or not there is now reason for less

general apprehension in respect to possible subversive fifth column activities. This man was returned to the internment camp on June 10, 1940, and remained there until February 21, 1944, when he was released. According to the information I received to-day in answer to another question, he was released after making three applications. The first was made on September 23, 1939, and after a hearing on December 4, 1939, no recommendation was made by the committee. However, as I mentioned a moment ago, he was released some seventeen days later, apparently solely on the responsibility of the administration. On July 9, 1942, he applied again for release; his hearing was on September 22, 1942, and the recommendation of the committee was that he should be continued in detention. On October 16, 1943, he made another application, which was heard about February 16, 1944, and he was granted his conditional release. The question I asked on May 4, as to the reason for his release on the previous occasion, was as follows:

> What change has there been in the conditions with respect to this man since the date of his reinternment which would justify his release?

The answer was:

> The information which was before the advisory committee must be treated as confidential, but in addition to that which concerned Alois N. Schneider himself, it was publicly known that he has two nephews in the Canadian army overseas, and his own son, who is not old enough to join the army, is serving in the home defence force.

Well, Mr. Chairman, I do not know what difference it makes whether a man has nephews in the army, or even whether he has a son in the reserve army. If this man was placed in an internment camp because he was a danger to Canada through his sympathies with the German reich, conditions have not altered in the meantime, I suggest, to the extent indicated by the minister in his answer to these questions. The point is that if this man was properly placed in an internment camp in the first place, in my judgment conditions have not changed sufficiently to justify his release at the present time. If he was improperly placed in the internment camp in the first place, then the administration should be frank with this house and advise us that the man never should have been put in the camp. If that is the proper answer, an explanation should be given as to why he was allowed to remain there for this length of time.

I understand that the same situation exists with respect to the other two men I have mentioned, though I do not know very much about them and am not prepared to debate the point. It seems to me that if this man Schneider was properly interned in the first place because of his sympathy with the German reich, a better explanation than has been given by the minister should be advanced to this house for his release at the present time. It may be that he promised to be a good boy; I do not know. It was suggested in the press the other day that Mr. Camillien Houde might be released from internment if in effect he would promise to be a good boy, and I am just wondering if this is why Mr. Schneider and these other so-called fascists were released, if they have now promised not to do any harm as far as our war effort is concerned.

Mrs. NIELSEN: I should like to say a word about this man Alois N. Schneider, because he happens to live in a town in my constituency. As hon. members know, he was arrested in 1939; then, for what reason we do not know, he was released. I have tried to ascertain from the minister who was responsible for getting him released, but unfortunately I have been unable to get this information.

Mr. NICHOLSON: Do you know what date he was released?

Mrs. NIELSEN: In December, 1939, I believe.

Mr. ST. LAURENT: Would it be possible, Mr. Chairman, for us at this end of the chamber to have some part in this discussion of my estimates?

Mrs. NIELSEN: May I proceed, Mr. Chairman? The facts are well known, and I am afraid they are not going to be very welcome to hon. members who sit on the opposite benches. While the Minister of Justice did not tell this house who was responsible for obtaining the release of this man Schneider, people up in the northern part of the country know very well that his release was desired very greatly by the former Liberal member of the house, whom I happened to defeat, Mr. McIntosh, whose organizer he was up in that northern area.

I must say that up in the northern part of my country we have a number of German people, and I believe their position during this war has been very terrible.

Many of them had relatives still at home in Germany. Before the war began these people used to receive letters from their relatives telling them that things in Germany were much better, that there was no depression over there, that they did not have unemployment, and that Hitler was building roads and making employment. They were told that

this, that and the other thing was good. I can remember talking to one of these German people on the street of a small town up north. He said to me, "Look at our little town, with all these youngsters standing around the pool parlours, with nothing to do. It is not that way in Germany. We have clubs; we have the youth movement for our children." I can quite understand a person like Mr. Schneider, who was in a position to prey upon the fears of these German people, naturally reaching the point where he would be looked upon by them as a leader. There is no doubt whatsoever that he was nazi in his sympathies, and that he tried to organize in that direction. Then, this man Schneider happened to be land agent and machine agent, and possibly to many of these people he had become a friend. He might allow them a little more time for payment on land, or might make a good deal with them for machinery.

Mr. HANSON (York-Sunbury): Was he a government employee?

Mrs. NIELSEN: I do not think he was. But possibly he was in a position where he had a hold over them. Then when he suggested that they join the bund, it is possible that they would agree with him, and in this way he would build up an organization in that part of the country.

But the great majority of these German farmers were very poor, with little time to think about politics. All they wanted to do was to get a living from the land, and be ordinary, good Canadian people. I know that. As soon as the war started there was a certain amount of hysteria among some people. Indeed, anyone who had a German name had to be very careful what he said. Many self-appointed vigilante committees were set up here and there, and if anyone with a German name happened to say anything that sounded suspicious he would be reported by the committee. I think a number of German people were arrested at the beginning of the war without any real cause. I had a conversation with the minister's deputy—I refer to Mr. Anderson, the gentleman who now sits in front of him—regarding the release of one of these Germans in my part of the country. This was a young man named Zieglansburger, who had been arrested and interned. I feel certain that inadvertently he had said something that was picked up and reported, but I am just as certain that he had no use whatsoever for the nazi ideology. However, he was a German, and people in that state of hysteria felt that every German should be arrested and put away. I am not in sympathy with that. Many of our German people have no desire other than that of being good Canadians. But when we find a man like Schneider, who was definitely organizing those with whom he came in contact under the nazi doctrine, we must place him in a very different category from the ordinary run of German farmer. I repeat that we should know whether this man has been wrongfully interned for a period of some years. If so, why is it that we have not had his release before this? If he was just a poor, innocent person whose German name was responsible for his internment, we should know it. If on the other hand he was picked up twice, once in 1939 and again in 1940, there must have been some reason for it. And if those reasons justified his internment until now, why was he released just a few weeks before a provincial election?

I have no doubt at all that this man is very busy, working in an organizational capacity for the Liberal party in that part of the country. I say this emphatically, because I believe the people of that north country should be given the facts, and I say the committee would be justified in having from the minister a much more comprehensive statement than we have had in the past respecting this man's activities.

Mr. HANSELL: Mr. Chairman, in days gone by I have been somewhat instrumental in advocating in the house that Canada should set an example to the rest of the world in respect of its attitude in standing for freedom of religion and freedom of worship. In this respect I wish to congratulate the Minister of Justice upon the lifting of the ban from Jehovah's Witnesses some time ago. I believe that was a proper course to take, and that by so doing he has exemplified to the rest of the world the fact that we do give to every individual the right to worship God as he chooses. However, there is another matter I should like to bring before the minister. I would ask him to consider what is done with certain members of the sect known as Jehovah's Witnesses when they refuse to take up arms. I think many hon. members have had correspondence similar to what I received the other day. I might explain, however, that that which I received has to do with certain members of Jehovah's Witnesses who had been taken into custody because they refused to take up arms. The correspondence enclosed certain sworn affidavits from interested people —perhaps other members of the same organization who had visited these men while in detention—and I believe these sworn statements will give some idea of how these men have been treated.

It is my intention to read certain paragraphs from these affidavits, and I appeal to the minister to do what he can in the matter.

After all, we do want to see justice done in Canada. I shall not read the technical or legal part of this document, but only those paragraphs in which the statements are made. The following is from an affidavit signed by Elva F. Patzer of the city of Winnipeg.

I do solemnly declare that:

1. On Sunday, April 23, 1944, I attended at the detention barracks at Fort Osborne barracks in M.D. No. 10 and there in the presence of a guard did interview my brother, Gordon Mark Morrow, above named who is there held in detention, undergoing ninety days detention, because of his conscientious objections to doing military service.

2. At the time his face was swollen, and one hand was bruised across the back of the wrist.

3. My said brother informed me that three members of the army had previously struck him with their sticks behind the ears, on his hands and wrists, and that they had in addition struck him with their fists.

4. My said brother also informed me that previously some soldiers tied a loaded pack on his back, which was secured by a rope fastened around his throat, that he was then violently pushed around, and the rope cut off his breath. That he also had been abused by soldiers, who picked him up and threw him violently to the floor and then jumped on him with their knees. He afterwards complained of internal pain which bothered him greatly, and he believed that he had a broken rib or ribs.

And I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath by virtue of the Canada Evidence Act.

Declared before me. . .

And so on. This is signed by E. F. Patzer, and by J. F. Davidson, a barrister at law.

Then, there is another affidavit concerning another of these men—

Mr. ST. LAURENT: The hon. member says he has another such affidavit. I wonder if he is under the impression that this has anything to do with the defence of Canada regulations. As I understand from the affidavit the hon. member read, the declarer attended at a military detention camp and received certain information from a person detained there. The Department of Justice has nothing to do with the administration of military district No 10 or of any other military district. If this affidavit covers something which arose in a detention camp of the army there would be nothing under the defence of Canada regulations which my department could do about it. There is nothing under those regulations to justify the maltreatment of any person.

Mr. HANSELL: I am sorry if I brought this up under the wrong department. Now that the minister draws it to my attention I believe he is right. When these men are picked up and interned they come under the Department of National Defence?

[Mr. Hansell.]

Mr. ST. LAURENT: I would assume that they would be men who were called up under the mobilization regulations administered by the Department of Labour. After that they would appear before a board and would be either postponed or turned over to the military authorities, if they came within the regulations. At no stage would they be dealt with under the defence of Canada regulations.

Mr. HANSON (York-Sunbury): Mr. Chairman—

Mr. HANSELL: I am not quite through.

Mr. HANSON (York-Sunbury): I am trying to help the hon. member if he will allow me.

Mr. HANSELL: Mr. Chairman—

The CHAIRMAN: The hon. member for Macleod has the floor.

Mr. HANSELL: I should be pleased if the hon. member for York-Sunbury would help me out after I have finished. If what the minister has said is true, then the matter may have to be brought up under the Department of National Defence. I will not read the other affidavit; it is similar to the one I have read, but applies to another person.

I know that the minister does not want this sort of thing happening within military camps, even though it does not come under his department. All I ask him to do under the circumstances is to appeal to the Minister of National Defence to have this sort of thing stopped. It does not make any difference under what department it may come; it is not justice to persecute a man by physical torture because of his particular religious convictions. I appeal to the Minister of Justice to bring this thing to the attention of the Minister of National Defence and have it stopped immediately.

Mr. HANSON (York-Sunbury): Mr. Chairman, I do not want to delay the committee, but first I should like to congratulate the minister upon having lifted the ban against those citizens who call themselves Jehovah's Witnesses. I think they are very sincere, but in my opinion they are on the wrong track. I was going to say something else, but I shall not. I think that action came a little late because there was a great deal of persecution, not prosecution, of these misguided people. I believe the minister is correct in suggesting that the cases before the committee are those of conscientious objectors who are under detention because of their unwillingness to serve in the army after having been drafted or called.

Mr. ST. LAURENT: Or to take alternate service.

Mr. HANSON (York-Sunbury): Or to take alternate service, as we know is the case. I received two of these affidavits to-day and I read them with a good deal of astonishment. I just cannot believe that these things can be true in Canada in this twentieth century. I may say to the minister that in law these affidavits are only hearsay evidence. They are not the affidavits of the persons detained; they are affidavits of those who interviewed the persons in the detention camp. As the lawyers say, that is hearsay, but inasmuch they have made these declarations on information and belief—that is the way we put it as lawyers—they call for some explanation on the part of the authorities, by way of refutation or investigation.

I should like to read one paragraph of one of these declarations, and then I am going to ask the minister to do what the hon. member for Macleod asked him to do. This is an affidavit by Stephie Klymuik, of Whytewold, Manitoba, being a declaration under the Canada Evidence Act. She visited a man by the name of Adam Remando at the detention barracks at Fort Osborne, military district No. 10, on April 16. The following is not his statement; it is what the declarer says was told to her, and she passes it on by way of opinion and presumably belief. The paragraph reads:

> Remando then informed me he had been put on a bread and water diet for refusing to put on the uniform, that his clothes had been violently torn from him and destroyed, and he was forcibly dressed in a uniform and ordered to pick up a gun, which he refused to do.

Mark this:

> That he was beaten and badly injured and put under an ice cold shower for twenty minutes, and that later on a gun was tied to his arm for several days.

I can scarcely believe that that took place in Canada, It sounds like what would happen under a third degree in New York where Mr. Walter Winchell comes from, the gentleman we heard about this afternoon. That is what they do down there under third degree, but surely it does not happen in Canada. I am going to ask the minister to call the attention of the Minister of National Defence to these allegations. If they are true, then third degree methods are being adopted by the army to force men into the home army. That is what it means. No matter how much we may object to conscientious objectors not doing their duty as citizens as we see it, I do not believe the people of Canada will for one moment tolerate this sort of treatment. I am going to give the department the benefit of the doubt to which they are entitled—this evidence does not comply with the best evidence rule.

These people are people whom we want to make into good Canadians if we can. They have been invited to this country. I presume they came here lawfully, that they had lawful entry. They are not criminals. For their conscience' sake they may be ready to undergo punishment, but certainly they should not have to suffer this punishment, if it is true as charged. Will the minister tell us upon what date the prohibition against Jehovah's Witnesses was lifted, how many prosecutions there were under the defence of Canada regulations, and where they were?

Mr. COLDWELL: May I say that the first of these two cases is not new either to my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles) or to myself. We got the first affidavit some few weeks ago, and because we thought the situation warranted it, the allegations being so grave, we turned it over to the Minister of National Defence. The second affidavit was treated similarly. Immediately I received it I sent it by messenger to the minister. I know that in the first instance some investigation has already taken place. Since this matter has been raised this afternoon, if the investigations have been completed the Minister of National Defence might inform the house what the situation is in this regard. I share the view of the hon. member for Macleod and the hon. member for York-Sunbury that if these allegations are true they are an exceedingly grave reflection on our country.

Mr. HANSON (York-Sunbury): They are shocking.

Mr. COLDWELL: —and upon the administration of justice in this country. They should be thoroughly probed by the department and a report made to this house, and there should be no sort of inquiry held in secret. Charges as serious as these having been made in this house and read into the record, they should be dealt with openly and an inquiry held, with all the evidence taken, and the various parties to it provided with proper counsel.

Mr. HANSON (York-Sunbury): In the presence of the subject and his counsel if he so wishes.

Mr. COLDWELL: That is what I mean. We presented this case to the Minister of National Defence some days ago. I see he is in his seat now, and I think it would be wise if he made a statement to the committee.

Mr. RALSTON: I was just informed that there had been brought up in committee the matter of the treatment of a certain number of men belonging to the sect known as Jehovah's Witnesses, in Winnipeg. I am a little surprised that it should be brought up

on this particular item under the Department of Justice, because it is a matter for the army and under the jurisdiction of the Department of National Defence. I understand that affidavits have been read—

Mr. HANSON (York-Sunbury): Statutory declarations.

Mr. RALSTON: —which I have not heard.

Mr. HANSON (York-Sunbury): I will send them over.

Mr. RALSTON: I assume they are the affidavits which I myself received; and as I remember, all the affidavits are by somebody who said he was told by somebody else—

Mr. HANSON (York-Sunbury): They are hearsay; I made that clear.

Mr. RALSTON: —that certain things took place. I received a wire with regard to it from a relative of a man whose name, I think, is Morrow—

Mr. COLDWELL: That is right.

Mr. RALSTON: —about this time last week, or perhaps Tuesday; I immediately had the adjutant general take the matter up with the officer commanding military district No. 10—that is at Winnipeg—and told him that I wanted an immediate inquiry held into the matter. The indication in the telegram which I received was that certain affidavits were in the mail, and when the affidavits arrived it appeared that they were copies of those which, I assume, have been read into the record. As a matter of fact I myself made extracts from all the affidavits to show the concrete statements which were made with regard to any claims of ill-treatment, and had those sent by teletype to Winnipeg so that time would not be taken to copy them and have them sent by mail.

I have this report from the district officer commanding military district No. 10: it came on Saturday, and is dated Friday, May 12:

> Regarding telegram . . . dated 10th May, 1944, the following interim report is submitted. A board officers has thoroughly investigated the allegations of ill treatment of Martens, McGuire, Morrow and Remando, Jehovah Witnesses, in No. 73 Military Detention Barracks and find that no ill treatment has taken place. These men upon being admitted to detention refused to take off their civilian clothes and their clothes have to be removed. The board is of the opinion that practically no force was necessary in order to remove the clothing and certainly no man was struck in any manner. The board have examined the records kept of medical examinations and find that in the case of Morrow he complained of pains in his side and he was X-rayed twice, results negative. The board have invited the civilians who made affidavits to appear before the board on Saturday 13 May 44 between the hours of nine a.m. and twelve noon. The board is absolutely satisfied that no cold water treatment or anything of that nature has been administered. The proceedings of the board including the evidence of civilian witnesses, if any, should be completed and forwarded air mail 16 May 44. I have carefully examined evidence so far taken by the board and concur in the above findings.

That is from Brigadier MacFarlane, district officer commanding of military district No. 10.

Having had incidents of this kind before, notwithstanding the fact that it takes a long time to investigate I feel it is desirable to go to the bottom. In the case of the inquiry at Windsor we took over three hundred pages of evidence on the court of inquiry.

In order that there may be something more than an examination by the military district itself, as it happened that Major-General J. P. Mackenzie, inspector general for western Canada, who has jurisdiction in Winnipeg, was in Ottawa, instructions were given to him to stop off at Winnipeg on his way west and conduct whatever investigation he might consider necessary to check and verify whatever findings were being made by the board of inquiry. I would expect that Major-General Mackenzie is there to-day; and, with that proceeding under way, I can only say that the matter is having full attention by the department and as soon as the reports are received I shall deal with them. I will not say at this minute that the reports of the board of inquiry will be laid on the table of the house, because that is not generally done. But I feel sure that I shall be able to satisfy the committee and the house that full inquiry has been made and that whatever action is necessary has been taken.

Mr. COLDWELL: In view of the seriousness of these charges—we have had three of them recently, one at Windsor and two from Winnipeg—

Mr. RALSTON: I did not hear of two from Winnipeg.

Mr. COLDWELL: Yes, two from Winnipeg, I think.

Mr. RALSTON: There are four men. My hon. friend means, the same group?

Mr. COLDWELL: The same group of people, yes.

Mr. RALSTON: I want to be sure what my hon. friend says. I am treating as one group the charges with regard to these four men.

Mr. COLDWELL: There are two separate persons, and there was the case at Windsor. I do not know how these courts of inquiry are conducted, whether the military—

The CHAIRMAN: Order. I should have taken up the point of order raised by the Minister of Justice. I realize how difficult it is for members of the committee and for myself to make distinctions between different departments, because at times the margin seems to be narrow. But although the statement which has just been made by the Minister of National Defence comes under his department, I think hon. members should remain within the orbit of the item before the committee; otherwise we shall never get anywhere. There will be other opportunities to discuss this matter, when the proper department is before the committee of the whole.

Mr. COLDWELL: I do not want to disagree with your ruling, Mr. Chairman, but I was just going to say something which I think should be said now; and may I suggest that technically I have the right to discuss anything which appears in these war appropriation estimates—anything. We have passed nothing. This is no bill with a schedule; we are dealing with a resolution. I can pick up this resolution at any point and deal with any department I wish, under the rules of this house. That is one of the reasons why, when this appropriation was coming down, I suggested it would facilitate business if we could have a bill and a schedule attached to the bill. I do not want to depart from any understanding we may have reached as to dealing with this resolution, but technically I would be well within my rights even though I spent the whole afternoon discussing subjects other than those pertaining to the Department of Justice.

Mr. RALSTON: I hope my hon. friend is not invoking that, because there is an agreement as to the way we shall proceed.

Mr. COLDWELL: I am talking of my right. I suggest to the minister that, in view of the nature of these charges, if these courts are held in secret, he would be well advised to have an open inquiry into these cases in order that all parties can be satisfied. I am not questioning in any way the integrity of the court of inquiry; I am suggesting to the minister that in the public interest and the interest of the department it would be well to consider the point I have raised.

The CHAIRMAN: On the point brought by the hon. member for Rosetown-Biggar, I know that he would be the last hon. member not to realize what is, I am sure, understood by the committee, that when a minister and his officials attend on behalf of a particular department, it is understood that we will remain within the limits of that department.

Mr. COLDWELL: I know that.

The CHAIRMAN: I am sure the hon. member will realize that it is impossible to have two or three ministers and half a dozen or more officials waiting around all the time, on one particular item.

Mr. FAIR: I had not intended to discuss the question which has just been brought up. I am not a member of Jehovah's Witnesses. There has been a good deal of discussion of the real reason why they were banned, and I think the Minister of Justice should make a statement on the matter which would satisfy the curiosity of the country.

Mr. ST. LAURENT: I cannot satisfy the hon. member on that point. When I became Minister of Justice I found certain defence of Canada regulations which had been adopted by the governor in council, and which had been before a committee of the house and had been approved thereby. I had no choice but to apply them until such time as they were modified, and on recommendation I made in October, 1943, the ban was lifted.

Mr. HANSON (York-Sunbury): How many prosecutions had taken place against Jehovah's Witnesses up to that period?

Mr. ST. LAURENT: There had been no prosecutions by the Department of Justice against Jehovah's Witnesses up to that period. Such prosecutions as had been instituted had been instituted by the attorneys general of the provinces or under their control, applying the defence of Canada regulations as part of the law of Canada.

Mr. HANSON (York-Sunbury): How many had been carried out at the instigation of the Department of Justice?

Mr. ST. LAURENT: No prosecutions had been instituted at the instigation of the department against any persons for being members of Jehovah's Witnesses.

Mr. FAIR: May I ask whether all restrictions imposed upon Jehovah's Witnesses have been lifted, or whether only the right to meet at their services has been restored?

Mr. ST. LAURENT: Some time over a year ago there had been a modification of the regulations to the effect that no one would commit an offence by attending a meeting for the purpose of religious worship. In October, 1943, regulation 39(c) was amended by striking therefrom the names of "the

following organizations", and among them was the name of Jehovah's Witnesses. So that section 39(c) no longer applies in any way to the persons known as Jehovah's Witnesses.

Mr. COLDWELL: Jehovah's Witnesses have a number of subsidiary organizations such as the Watch Tower publishing company and some others. I have been informed that the literature of the organization is still banned. I have also been told—I was going to try to verify this before, but since the matter is now under consideration I will mention it, without any definite knowledge of the question—that all literature emanating from the Watch Tower publishing company is automatically banned from Canada, and that on one occasion not long ago a shipment of Holy Bibles, the King James authorized version, was prohibited from entering this country simply because these bibles bore the name of the publisher. I was told that there was no commentary, nothing but the King James authorized edition of the bible, published by the Watch Tower publishing company, and because it was published by this organization the shipment was prohibited. I do not know whether that is true. Is it true?

Mr. GIBSON: That is correct, yes.

An hon. MEMBER: Were they imported from London?

Mr. GIBSON: No; from the United States.

Mr. COLDWELL: The minister says it is true. I think there should be an easement of that provision at once. I do not think anything should be allowed to interfere with the importation of the Holy Bible into this country, even when it is published by the Watch Tower publishing company. I cannot see that it would interfere with the war effort of the country or undermine the principles of any of our people, to have the bible brought into the country even when it bears the imprint of any publishing house, which happens to be in this intance the Watch Tower company.

Mr. GIBSON: The money goes to a prohibited organization. That is the reason.

Mr. COLDWELL: The ban against Jehovah's Witnesses—

Mr. GIBSON: I am speaking of the Watch Tower publishing company.

Mr. COLDWELL: The ban against Jehovah's Witnesses is lifted. If the parent organization is legal, why should a subsidiary be considered illegal and prohibited?

[Mr. St. Laurent.]

Mr. BENCE: The defence of Canada regulations committee two years ago recommended lifting the ban from Jehovah's Witnesses and that included the subsidiary organizations referred to, the Watch Tower Bible and Tract Society, and some others. The ban was lifted from Jehovah's Witnesses but not from these societies or organizations through which Jehovah's Witnesses hold their property. This situation exists in my city, where Jehovah's Witnesses as individuals, through the medium of an incorporated society which is banned, own a hall. They are forced into the position where they must go and rent, from the custodian of enemy property, the very hall which they themselves bought with their own money through the medium of this organization which is still banned. I suggest that the administration ought to reconsider the position, because it leaves the matter in an anomalous state. As a matter of fact, first of all, the custodian refused to rent to these Jehovah's Witnesses, though eventually he did. I suggest that the halls should be returned to those who put their money into them.

Mr. HANSELL: This whole subject becomes very much involved when one digs deep into it. It might be supposed that because the Minister of Justice has lifted the ban from Jehovah's Witnesses, therefore they should be allowed to go around and do whatever they wish. I do not agree with that position. I am not speaking for my group, because this is not a party matter. It is a matter of what appeals to one's own intelligence and common sense. I can quite understand that the ban might be lifted from a religious organization for the purpose of giving them the right of freedom of worship, and yet it might not be lifted from a certain publication which might teach things that are contrary to peace, order and good government. I was tempted to ask, when the member for Rosetown-Biggar spoke about bibles, whether there were any comments on them.

Mr. COLDWELL: None.

Mr. HANSELL: I am told that the funds were to be paid to an organization that is still under the ban. I fancy that means that if the Jehovah's Witnesses had ordered bibles from some other publishing house those bibles would have come in all right. That, I suppose, would be the answer. I sympathize with the minister to this extent, that it is difficult to draw the line between what might constitute freedom of worship and what might be taught in certain religious meetings. I believe that people should be free to assemble and worship God according to their conscience.

The scriptures, of course, are subject to a variety of interpretations. My interpretation is that the scriptures teach that we must be subject to the powers that are ordained of God to rule the nations. You cannot very well say, "I will disobey the law of the land," and at the same time say, "I will obey the law of God"; because to my mind to obey God is to obey a law of the land. It is an exacting position. I am an advocate of lifting the ban on Jehovah's Witnesses. I am a great advocate of freedom of worship, but I am not an advocate of permitting anyone to go and do and teach whatever they wish. They may teach truth and truth alone. There again you come up against this difficulty: what one may regard as truth in the bible may not be regarded as a proper interpretation by someone else. If I had time, probably I could convince certain people, but then, the old adage comes in, "A man convinced against his will is of the same opinion still."

I happened to be reading my bible yesterday and I came to a very important passage of scripture which I think is germane to this discussion. It may seem strange to some that I should read the bible in this connection. May I quote just a part of the thirteenth chapter of Romans:

> Let every soul be subject unto the higher powers. For there is no power but of God: the powers that be are ordained of God.

We may not like them. I certainly do not like the Liberal government.

Mr. COLDWELL: You do not think they are ordained of God.

Mr. GIBSON: No, of the people.

Mr. HANSELL: In the development of national affairs I suppose some people have to govern Canada.

Mr. COLDWELL: Even if it happens to be Liberal.

Mr. HANSELL: Then the scripture goes on—

The CHAIRMAN: I like to hear about the Good Book, but I do not just see how it comes under the present discussion, an item having to do with the Department of Justice. Surely we should come down to earth once in a while and keep to the particular item before us.

Mr. HANSELL: I am sure, Mr. Chairman, that you will not prevent me from reading one or two passages. May I say, speaking on behalf of the minister, that I realize these things are exacting and quite a responsibility. The scriptures continue:

> Whosoever therefore resisteth the power, resisteth the ordinance of God: and they that resist shall receive to themselves damnation.
>
> For rulers are not a terror to good works, but to the evil. Wilt thou then not be afraid of the power? Do that which is good, and thou shalt have praise of the same.

The principle is this. Governments attempt to pass laws for the good and the welfare of the people; therefore we should be subject to those laws. I thought, Mr. Chairman, that I had better bring that out because it does not follow that just because the ban is lifted from an organization they can go ahead and do whatever they wish.

An hon. MEMBER: Does that apply to Protestants and Catholics as well?

Mr. HANSELL: It applies to everyone. I belong to a non-denominational church, but I am quite certain that if I went out and preached something that was going to incite a revolution I would not blame the minister if he put me in gaol.

May I add another word? Some of us receive considerable correspondence over these things. It seems that when one brings up a matter in parliament it means additional work for him, because people read it and then he gets a lot of letters. They seem to think the more you do the more you can do. Some of us have received quite a few letters in regard to the authorities not recognizing those who are said to be ordained by Jehovah's Witnesses. I am not going to criticize that; I mention it only in passing, for the purpose of examination. For instance, an ordained minister is exempt from military service, but the mobilization board does not recognize the organization known as Jehovah's Witnesses. I have received a lot of correspondence along that line. I bring it to the attention of the minister so that he may know how the position stands. It can be looked into, but it does not matter to me what decision is made.

Mr. MARTIN: Does that not arise from a case that was heard in British Columbia, the appeal of which is now pending?

Mr. HANSELL: I could not answer the hon. member's question. I am not informed in that respect.

Mr. COLDWELL: I do not think we should allow the statements of the hon. member for Macleod to go by without some comment. I think the age-old principle of democracy is freedom of thought, freedom of association and freedom to think and teach on matters

of religion as one may feel impelled to think and to teach. I am not a member of any of those unorthodox sects. I happen to belong to one of the very orthodox Protestant communions, but at the same time I feel that the principle which is being challenged of allowing the free distribution of tracts does strike at the very heart of our religious freedom and our conception of democratic institutions.

I was pretty well schooled years ago in the writings of John Milton, and I have never forgotten his "Areopagitica", the plea for the freedom of the press, the plea for the freedom of the right of a man to issue a tract on any particular subject, no matter how distasteful that subject may be to the powers that be. That principle is sound, and is exemplified in the long struggle for the freedom of the press, the freedom of the sect, if you like, to preach and to teach its doctrines which to-day may be unorthodox but which to-morrow may become very orthodox indeed. I always remember the story of two famous bishops. One asked the other how he defined orthodoxy and heterodoxy. He said: "Orthodoxy is my doxy and heterodoxy is the other fellow's doxy." That is precisely what I think we have to bear in mind.

Mr. DIEFENBAKER: I think that a statement is due from the minister with regard to the whole situation respecting the defence of Canada regulations. In the main those regulations went through the committee in 1940 at a time when conditions were most serious, and the question of survival as a nation and as an empire was paramount in our thoughts. Great Britain has consistently followed the course of removing those encroachments on democratic rights with the gradual dissipation of the danger to the state. I think that the time has come when these regulations as a whole should be reconsidered. In the past we have had committees from year to year on defence of Canada regulations; but unfortunately the recommendations of those committees, composed of outstanding members of the House of Commons, have not been accepted by the minister. When we come to discuss the question of the freedoms we see that freedom of religion is still not completely existent when we find that the recommendations of the committee have not been implemented. The committee recommended in 1943 that the ban against Jehovah's Witnesses, the International Bible Students' Association and the Watch Tower Bible and Tract Society Incorporated should be removed. There can be only one reason for the maintenance of these regulations interfering with religious bodies—that is, the safety of the state. I believe there have been some five hundred prosecutions of Jehovah's Witnesses, none of which had to do with subversive activities, the entire offence being that of belonging to an organization banned under the defence of Canada regulations.

What excuse is there for interfering with these people receiving the Holy Bible, regardless of by whom it is published? What is there subversive in their teaching doctrines which the rest of us do not accept, as long as the practice of those doctrines does not interfere with the safety of the state? Why is it that the recommendations of the committee of this house have not been accepted in their entirety by the minister? I ask him to deal specifically with this matter; for if we as members of the House of Commons accept without complaint the principle of interference with the freedom of religion we deny the democracy for which we as a country and empire fight. Britain does not deny these people their rights. The United States does not deny them; Australia does not deny them. Why does this government continue to keep these organizations on the banned list? These are matters that must concern hon. members regardless of party allegiance in this house. I think the time has come when the minister should place the whole story before the house and the country. Why are these organizations banned? Why have they not the right enjoyed by all other church organizations to distribute the literature printed by their own corporations? The ban has been removed, it is said. That is theoretical only, unless the ban is lifted from the organizations which disseminate the literature which these people preach. I do not agree with their principles; I have no appreciation of the stand they take in this war, but I cannot understand how the government may assume to believe in freedom of religion and still deny these people their rights. It may be because of the fact that they do not exercise the franchise, and that in this sense they are not true citizens. In any case I think the time has come for the minister to tell us the story, to say what are the reasons for the denial to these people of the opportunity to disseminate their own literature; particularly if it is correct, as I believe it is, that not one case of subversive activities has been brought home to these people.

Mr. HATFIELD: I would point out that the head office of the Watch Tower Bible and Tract Society is in London, England. Their publications are not banned there; why should they be banned in Canada? I should like an answer from the minister.

Mr. ROSE: Mr. Chairman—

Mr. HANSON (York-Sunbury): I think that is a very reasonable request.

The CHAIRMAN: The hon. member for Cartier has the floor.

Mr. DIEFENBAKER: Surely we are entitled to an answer.

Mr. ST. LAURENT: I am asking this committee to vote the sum of $30,000 for the expenses of the advisory committees which deal with the cases of the internees; that is all I am asking.

Mr. HANSON (York-Sunbury): Well, now, the minister won't get away with that.

Mr. ST. LAURENT: The minister is not trying to get away with anything. If it pleases this committee to travel over the field of war activities since the beginning of the war, that is its privilege until the chairman sees fit to intervene, but so far as I am concerned I am going to try to stick to the matters with which I have to deal.

Mr. HANSON (York-Sunbury): The minister knows as well as I know and as every other member of this committee knows that this is the only item in this war appropriation resolution under which we can discuss the defence of Canada regulations. The fact that this item is for payment of the expenses of the advisory committees does not alter the situation at all; we have a right to know the facts; and the minister ought not, I say with respect—because I have great respect for him—to take the attitude he is taking to-day, that he wishes to deal only with the question of the voting of the money to pay these advisory committees. There are people in this country who want to know why these regulations have not been relaxed, in view of the fact, as stated by my colleague from Lake Centre, that the danger to the state is no longer as threatening as it was. Why should not these regulations be relaxed? I quite appreciate that in the early days of the war, when people were on edge, when there was an imminent threat of invasion, when people had a different attitude towards this sort of thing, there should be strict rules against anything that might be subversive. That day is past. I had the pleasure of sitting in at a meeting of the committee on the defence of Canada regulations when Sir Norman Birkett appeared before the committee and gave a wonderful exposition of the attitude of the British people and of the committees over there in relation to all classes in the community, including communists, if you will. Why should Canada's attitude be so strict as compared with the attitude of Britain and other countries I could mention?

While I am on my feet I should like to know if it is open to us as members of this committee to ask about individual cases of internees who have been released, and the reasons therefor. I will make just one allusion; I refer to the case of Mr. Camillien Houde, who is interned in a community not very far from where I live. The story in that part of the country is that he was offered his release under certain conditions, with which he refused to comply. So far as I am concerned that is hearsay; I do not make any allegations or charges. It may not be open to give me the facts; I realize that they have to be treated with circumspection and that the reports of these advisory committees should be and are in the main secret. We are not very far apart on that principle, but statements are going round the country that the government is trying through these committees to drive bargains with certain gentlemen, and the country ought to know if that is true. If not, it should be denied and the position set at rest. But the minister must tell us what changes have been made in the defence of Canada regulations, what are contemplated to be made, and what is the policy of the government. Do they intend to relax these regulations, and in what direction?

Mr. RAYMOND (Translation): Mr. Chairman, the hon member for York-Sunbury (Mr. Hanson) has just referred to the detention of Mr. Camillien Houde, former mayor of Montreal and member of the Quebec legislature. Would the minister say whether he is detained under the defence of Canada regulations or under the mobilization act regulations and for what offence? Is the infraction related to one or the other of the above mentioned regulations? I do not intend to defend Mr. Camillien Houde in particular, but a principle is involved. Being a British subject, he is entitled to fair play as any other British citizen. If he has committed an offence, let him be tried and, if found guilty, condemned to a penalty; but he is entitled to know whether he is to be held indefinitely, without being informed of the penalty he has incurred. I believe the public is entitled to be informed by the minister of the offence committed, the penalty incurred and of whether or not his detention is for an indefinite period.

(Text)

The CHAIRMAN: Shall the item carry?

Mr. HANSON (York-Sunbury): No.

The CHAIRMAN: The hon. member for Cartier has the floor.

Mr. RAYMOND: No; I want an answer. I have asked questions of the Minister of Justice, and I am entitled to an answer.

Mr. ST. LAURENT: A great many questions have been asked, some of which concern the defence of Canada regulations. Others have been dealt with by the Minister of National Defence. It is difficult to determine at what point members in the committee wish an answer that would be pertinent to the item before the committee, and at what point they merely desire to air some grievances with which I am not concerned. If it is proper for me to do so, I shall endeavour to deal with some of the matters relating to the defence of Canada regulations. However I should like to hear what other members of the committee wish to say on that point.

Perhaps I can take up the questions in reverse order to that in which they have been asked. The hon. member for Beauharnois-Laprairie wants to know under what regulations Mr. Camillien Houde was interned. My answer is that he was interned under regulation 21 of the defence of Canada regulations. The hon. member wants to know what infraction had been committed. Internment is not punishment for having committed an infraction. Internment is an order made by the Minister of Justice, in the exercise of the confidence the house has placed in him, to restrict the liberties of an individual, if he is satisfied it is necessary so to do, with a view to preventing that individual from acting in any manner prejudicial to the public safety or the safety of the state. The order against Mr. Camillien Houde was made because Mr. Houde was acting in a manner which the Minister of Justice then felt constituted something prejudicial to the public safety or the safety of the state. Mr. Camillien Houde was recommending to the public, in a part of this country in which he felt he had support, that there be refusal to comply with national registration regulations. It was felt that that was prejudicial to the safety of the state, and for that reason his internment was ordered. For a long time he was not disposed to ask to have his case reviewed by an advisory board under the authority of the defence of Canada regulations. However, on May 10, 1943, he requested that he be given a hearing. This letter was received by the Department of Justice on May 15, and arrangements were made immediately to have an advisory committee meet and proceed to Fredericton, not only because Mr. Houde had asked to be heard, but because at that time there was a number of applications sufficient to warrant the holding of sittings of the advisory board at that point.

[The Chairman.]

Mr. Houde came before the board at Fredericton in the course of these hearings on May 28 and 29, 1943. As a result of questions put by the hon. member for Laval-Two Mountains, it has already been communicated to the house that in the course of its inquiry the committee had to know what Mr. Houde's present dispositions were, and asked him if he would be prepared to sign the usual form of undertaking signed by a great many of those released from internment. This is an undertaking to abide by the laws of Canada, and to do nothing to interfere with the prosecution of Canada's war effort. He asked that a copy of the usual conditions be delivered to him, and said that he would answer the next day. Next day he informed the committee that he was not disposed to sign anything. Thereupon a report was made to the Minister of Justice recommending that his detention be continued.

Mr. HANSON (York-Sunbury): Is it a condition precedent to release that an internee shall sign this undertaking?

Mr. ST. LAURENT: It is not a condition precedent to release. Members of the advisory committee try to make such investigation as will convince them as to whether if he were released the internee would be apt to act in a manner prejudicial to the safety of the state. On their own motion, having received no suggestion whatsoever, from the Department of Justice, they have adopted the procedure of saying to the individual, "Are you sincere in your statement that you are disposed to do everything within your power, with the exception of enrolling in the army, or taking part in the activities of the active army, to further Canada's war effort?" This is asked of a person of enemy origin. A great many of them have declared that they were so disposed. Then they are asked, "Are you so seriously disposed to that end that you would be willing to sign an undertaking to that effect?" A great many have said that they were. And it is after having agreed to sign such an undertaking that in many cases recommendations for release are made, the advisory board holding the view that the individual would not be a danger to the safety of the state.

Mr. HANSON (York-Sunbury): In practice it is a condition precedent—if not in theory.

Mr. ST. LAURENT: I would not go so far as to say that in practice it is a condition precedent.

Mr. HANSON (York-Sunbury): Has any man been released who did not sign?

Mr. ST. LAURENT: Yes.

Mr. HANSON (York-Sunbury): Of course that is the answer.

Mr. ST. LAURENT: Yes, there were releases before this practice was adopted. But there has been no recommendation to release a person who refused, or who said he was not disposed to sign such an undertaking. If a person were not disposed to sign an undertaking of the kind, such decision evidently influenced the judgment of members of the advisory board, and there was no recommendation for release.

Mr. HANSON (York-Sunbury): It is to show his bona fides.

Mr. ST. LAURENT: Yes, to show his bona fides. Then, in November, 1943, Mr. Houde wrote a letter to Joseph Jean, parliamentary assistant to the Minister of Justice, in which he indicated he would be prepared to sign an undertaking. This letter was communicated to me. I told Mr. Jean that was not the regular way of communicating with the Department of Justice; that if Mr. Houde had any communication to address to that department he should address it to the department and not to a member of parliament who happens to be parliamentary assistant to the Minister of Justice.

I assume that he was given that kind of answer. On December 11 Mr. Houde wrote the deputy minister of the department saying that he was prepared to sign the kind of undertaking that had been submitted to him when the advisory committee had considered his case in May. A reply was made to him that arrangements were being made to have his file placed before the advisory committee which was to visit Fredericton some time in January, and that he might make another appearance before them and allow them to report on the probability or otherwise of his behaving in such manner as would not interfere with the prosecution of our war effort.

Under date of January 10 Mr. Houde wrote the deputy minister of justice that he did not want any further hearing, and a copy of that letter was tabled in this house. Subsequently an hon. member of this house came to see me and said that Mr. Houde, as was stated in this letter of which a copy was tabled, had expressed the view that he had been interned by order in council and that he was going to come out through the big door and there would have to be an order in council passed to let him out. I explained to the hon. member that he was quite mistaken; that Mr. Houde had been treated like any other Canadian or resident of Canada under the defence of Canada regulations; that an order had been made by the Minister of Justice, and if he wanted that order reconsidered—it had been reconsidered once—it could be reconsidered again. He was told that there could not be any special procedure for Mr. Houde, and that unless and until a recommendation was made for his release in conformity with the regulations he would unfortunately have to stay in internment.

I am sorry to take up so much time with this, but apparently there has been a great deal of public interest focussed on this matter and it perhaps justifies the time I am taking. On March 19, 1944, Mr. Houde wrote as follows:

> Mr. Liguori Lacombe, the federal member for the constituency of Laval-Two Mountains, has informed me in a letter dated the 7th instant, of an interview that he has had with the Minister of Justice concerning the early termination of my detention.
>
> Following that interview he advises me to apply for a revision of my case, the reason offered being that I was misinformed when in my last letter to your department I stated that I had been interned by an order in council.
>
> Considering the untiring efforts of Mr. Lacombe on my behalf I readily comply with what, under the circumstances, seems to be a reasonable request, and I hereby apply for such a revision.
>
> Would you kindly inform me, at your earliest convenience, of any decision in this matter, and oblige.

Thereupon the deputy minister replied to Mr. Houde as follows:

> I have discussed with the minister your letter of March 19.
>
> It is quite true that Mr. Liguori Lacombe did go to see the minister and his object in doing so was probably to endeavour to obtain an early termination of your detention. I do not know what information Mr. Lacombe wrote you, but the minister tells me that his only statement to Mr. Lacombe was that you were entirely mistaken in your previous letter in stating that you had been interned by an order in council; he pointed out that you had in fact been interned by virtue of an order made by the Minister of Justice under the defence of Canada regulations and that if and when you were released it would have to be in conformity with the procedure set up by these regulations.
>
> In your last letter you "apply for a revision of my case." Am I to take it from this letter that it is an application for a hearing before an advisory committee operating under the regulations? It is intended to have such a committee sit again at Fredericton during the month of May, and if it is your desire to have a hearing before that committee please let me know so that definite consideration can be given to such an application.

On April 17 Mr. Houde replied to the deputy minister as follows:

> In answer to your letter of the 28th last I hereby apply for a revision of my case under the defence of Canada regulations before an advisory committee operating under said regulations.
>
> For your information I beg to state that Mr. Lacombe, in his letter to me, has simply suggested that I should ask for a revision of my case, and I thought it best in my letter to you to use the same phraseology.

Whatever his reason may have been, on April 17 he asked that his case be reviewed by an advisory committee under the defence of Canada regulations. A committee set up under the defence of Canada regulations is to proceed shortly to Fredericton to consider a number of applications for rehearing; Mr. Houde's file is being handed to that committee, and he will be accorded a rehearing at that time.

Mr. HANSON (York-Sunbury): That is Mr. Houde up to date.

Mr. ST. LAURENT: That brings the matter up to date. This was not punishment for an offence; it was something done to prevent him from acting in a manner which it was felt would be prejudicial to the interests of the state. Since he has persisted in that attitude up to the present time, no committee has taken upon itself to recommend that he be released.

Mr. RAYMOND: I must say that I am far from satisfied with the explanation given by the minister. We have laws in this country; we have the criminal code and we have other regulations. If a man does not comply with the law, he is prosecuted; if he is convicted there is a penalty, but he knows what to expect. All I am asking for Camillien Houde is that he be given the same treatment as is given to any other British subject, nothing more.

At the beginning of his explanation the minister said that Mr. Houde had been interned because he had not complied with the regulations of the mobilization act. Then at the end of his explanation I was under the impression that he said Mr. Houde had not complied with the defence of Canada regulations. In either case there is a penalty, and he should know to what penalty he is exposed. When a man refuses to comply with the regulations of the mobilization act he is prosecuted before a criminal court. He may be found guilty, but he should not be asked to sign a document such as Mr. Houde was asked to sign. I think it is unfair to say that as long as Mr. Camillien Houde refuses to register in accordance with the mobilization act he will not be released unless he signs some kind of document. The defence of Canada regulations state:

(Translation):

63. (1) Every person who contravenes or fails to comply with any of these regulations, or any order, rule, by-law, or direction, made or given under any of these regulations, shall be guilty of an offence against that regulation.

(2) Where no specific penalty is provided, such person shall be liable on summary conviction to a fine not exceeding five hundred dollars, or to imprisonment for a term not exceeding twelve months, or to both fine and imprisonment; but such person may, at the election of the Attorney General of Canada or of the province, be prosecuted upon indictment, and if convicted shall be liable to a fine not exceeding five thousand dollars, or to imprisonment for a term not exceeding five years, or to both fine and imprisonment.

It states distinctly that there is no other penalty. When a man has committed an infraction of the defence of Canada regulations he is prosecuted in the courts and condemned to a fine or imprisonment. In the case of Camillien Houde, he has been there for the last four years. He has not committed any other offence than have people who have been brought before the courts of this country in every province because they have refused to comply with the regulations under the mobilization act, that is, refused to register. That is the infraction which he has committed, and although he has been in detention for four years he is still detained and is to be kept in detention until he signs an agreement according to the pleasure of the Minister of Justice. In my opinion this is entirely unfair. I believe the public is very much interested, because Mr. Houde has not received the treatment which is guaranteed to any ordinary citizen of this country.

Mr. ST. LAURENT: I am sorry that the hon. member is not satisfied with the explanation, but the fact is that Mr. Houde was not interned because he refused to comply with the national registration regulations; he was interned because he was taking an attitude to encourage people over whom he had influence not to comply with the regulations.

Mr. HANSON (York-Sunbury): He signed a written statement.

Mr. ST. LAURENT: He signed a statement to that effect, advising them not to comply with that provision of the law; and so long as this country is at war, and so long as I have the responsibility of administering the defence of Canada regulations, I shall not feel it possible to consider that such conduct is not prejudicial to the safety of the state.

Now, to deal with other matters which were raised in connection with the defence of Canada regulations.

Mr. RAYMOND: I understand that Tim Buck has been released. Was he obliged to sign any statement before he was released?

Mr. ST. LAURENT: No one was obliged to sign any statement; but before Mr. Tim Buck was released he did declare that it was his intention to comply with the laws and regulations of Canada and to contribute to

the best of his ability to Canada's war effort. As an evidence of his good faith he signed a statement to that effect; it was after he had stated his willingness to sign such a statement that an advisory committee recommended to the Department of Justice that he be released, and it was only after he had done so that he was released.

Mr. RAYMOND: I understand that Mr. Houde has written a letter to Mr. Jean to that effect.

Mr. ST. LAURENT: Mr. Jean is not an advisory committee under the defence of Canada regulations, and Mr. Camillien Houde is not going to be treated any differently from any other resident of Canada who was interned under the defence of Canada regulations.

Mr. RAYMOND: But Tim Buck did not send his statement to an advisory committee.

Mr. ST. LAURENT: Mr. Tim Buck was heard before an advisory committee; it was before an advisory committee that he made that statement, and it was as agreed before an advisory committee that he signed his undertaking in writing. Thereafter the recommendation of the committee was made to the Department of Justice and an order for release was signed, as recommended.

Mr. GILLIS: Was Mr. Tim Buck interned?

Mr. ST. LAURENT: Yes.

Mr. GILLIS: No.

Mr. ST. LAURENT: He surrendered for internment and was interned, and immediately afterwards went before an advisory committee and succeeded in convincing the committee that it should report that his being at large at this time would not endanger the safety of the state.

Mr. GILLIS: What was the duration of the internment?

Mr. ST. LAURENT: Less than a month.

Mr. SLAGHT: How long did he hide from the police?

Mr. ST. LAURENT: From some time in June, 1940, until some time in, I think it was August, 1942. I can get the exact date if the hon. member is interested.

A further question was with respect to the possible danger to the safety of the state in any publications emanating from associations connected with Jehovah's Witnesses, with respect to which the ban was not lifted at the time that it was withdrawn from the organization itself. The reason for that is that, in my view of the defence of Canada regulations—and I am the one who has to take the responsibility of their application—it is contrary to the policy of the state, contrary to the public interest, that the doctrine of not being bound by man-made laws should be taught. There were two points principally upon which publications emanating from this organization were held to be contrary to the public interest and the safety of the state. One, which is very similar to the attitude for which Mr. Houde is still interned, was that man-made laws need not be complied with. The second point was the propaganda to the effect that one could be an ordained minister of Jehovah's Witnesses by making an individual compact with the Almighty, that by doing so one became an ordained minister and not subject to the mobilization regulations. That is something which I look upon as contrary to the policy which this state has to maintain in war time. It cannot be left to the individual to say, "I have by consecrating myself to the Almighty made myself an ordained minister, and thus brought myself within the exceptions provided by the mobilization regulations." Some of the publications which emanate from these associated organizations—I am sorry I cannot say whether the head office is in London, England, but I was under the impression that it is a United States organization—are unnecessary to any of the persons who in good faith assume to satisfy their conscience by the form of worship of Jehovah's Witnesses, to enable them to worship the Almighty in the manner in which they see fit, and they contain material the propagation of which I look upon as contrary to the policy this state has to follow under war conditions.

Freedom to think and to teach is fully recognized, provided what is taught is not in itself subversive. But it is subversive of our order at the present time to teach that individuals are not bound by any man-made laws. It is subversive to teach that any young man can by this private pact bring himself outside the regulations which are required for the purpose of military service in this country.

Mr. DIEFENBAKER: By the minister's definition it is subversive to state that one is not bound by man-made laws. Does he set up a different definition of what is subversive from that accepted by Great Britain, the United States and Australia? If so, why?

Mr. ST. LAURENT: Perhaps I should not have used the word "subversive". I should have said, contrary to the policy which this state must enforce in war time.

Mr. DIEFENBAKER: Why are we different from these other countries?

Mr. SLAGHT: It is subversive.

Mr. ST. LAURENT: I do not know what the situation is in those countries. The hon. member said there had been a great many prosecutions of persons who were Jehovah's Witnesses. I know there were a large number of prosecutions for border offences of persons who happened to be Jehovah's Witnesses, because, being Jehovah's Witnesses, they felt they could disregard man-made laws and go into the United States and attend some sort of religious meeting over there, and they were prosecuted for violation of border-crossing regulations. That is something which, in my view, manifests no interference whatsoever with liberty of conscience. There may be a great many people in this country or elsewhere who would feel it would satisfy their conscience to make certain pilgrimages to places which are now not accessible and which would require them to go out of this country, but they would not be allowed to proceed out of this country unless they complied with the regulations set up in that behalf.

Mr. HANSON (York-Sunbury): But there were prosecutions for delivering tracts in the county of Beauce—a most disgraceful thing.

Mr. ST. LAURENT: Yes, I know. But there are 11,500,000 Canadians; they are not all in the Department of Justice and I cannot be held responsible for errors that may be committed elsewhere. This matter was raised at the last session and I stated frankly that I had seen these tracts and they were extracts from the French edition of the Bible published over the name of l'abbé Crampon, which is a well recognized edition that is used by Roman Catholics of the French language, and there did not seem to be anything else but that. It certainly was a mistake to prosecute anyone for distributing copies of pages of the bible if there was nothing more. There have been overzealous officials in all administrations, and that was certainly something that should not have been done. I may say that it was one of the reasons which made it appear necessary to me to go farther than had first been done in respect of Jehovah's Witnesses.

My first recommendation had been a modification which would allow them to exercise their religion in any way they saw fit; but the fact that they remained banned was something which possibly encouraged overzealous prosecutions that were taking place in different parts of Canada, and I felt, that because of that it would be better to remove the ban in the defence of Canada regulations, and that, if prosecutions had to be instituted, to institute them under the criminal code. It was for that reason that it was done. But, as one hon. member has pointed out in this house, it has created among some the impression that now anything which a person who calls himself a Jehovah's Witness does is legal, simply because the ban has been lifted. That of course is not seriously contended anywhere, and it is an impression which is no more justified than was the impression that because Jehovah's Witnesses distributed extracts from the bible they were doing something illegal.

The other matters dealt with the treatment of Jehovah's Witnesses in military camps. I am sure every hon. member knows that the Minister of National Defence will not tolerate anything of that kind in the camps under his jurisdiction, and whenever anything of the kind is brought to his attention it is carefully inquired into and if what is stated on hearsay evidence is to be disproved it will be disproved. If it turns out that there is some justification in fact for any part of it, the parties responsible will be severely dealt with.

Other matters that were raised had to do with the releasing from internment of Lorimer, Farr and Schneider. John Lorimer and Joseph Farr had been interned in June, 1940, under regulation 21 of the defence of Canada regulations as partisans of the National Unity party of which Adrien Arcand, who is still interned, was the recognized leader. Both Lorimer and Farr had had some connection with it. Lorimer was alleged to have held office as assistant treasurer and Farr was an officer of the organization. He was an organizer. Lorimer had a hearing before Mr. Justice Fortier in 1940; after that hearing it was recommended that his detention should be continued, and it was continued. He had a further hearing before a three-man committee in July, 1942. That committee, after considering all the angles of the case, recommended that he be released. He had succeeded in convincing the committee that he had had little to do with the organization, that he had manifested, even while interned, that he was in full sympathy with the war effort of this country and of the allies, and that he was ready to do everything in his power to further the war effort to the united nations. He had stated that he was quite willing to put his signature to a declaration to that effect, and as a matter of fact he did. They recommended that he be released and he was released on September 1, 1942. One of the conditions of his release was that he should report monthly to the R.C.M.P. and he has been doing so. They have kept in touch with him since; he seems to be the sort of person who found it was at least uncomfortable to have been in the limelight; he wanted to drop back into his original obscurity and he has dropped back.

Mr. GRAYDON: He wanted to go back into private life, did he?

Mr. ST. LAURENT: Apart from his monthly reports, nothing further has been heard about him since. Farr had been interned at the same time. He had a hearing in December, 1940, before Mr. Justice Fortier; continuation of his detention had been recommended and it was continued.

In August, 1942, he was again heard before the same committee that heard Lorimer. At that time he was not able to convince the committee that he was then in a frame of mind where his activities would no longer be a threat to the safety of the state. They recommended that his detention be continued. Shortly afterwards he got into very serious difficulties with the nazi elements in the camp and was pretty severely beaten up on several occasions because of the attitude he was expressing in the camp owing to his consideration for the cause of the allied nations. He had a new hearing in July, 1943, and in October, 1943. After the committee obtained further information about him and became convinced—at least so they certified—that his being at liberty at that time would in no way endanger the safety of the state, he also having signed an undertaking to that effect, and having been informed that he would be required to report monthly to the Royal Canadian Mounted Police, he was released. He also has been reporting monthly since that time, and other than from his report we have heard nothing about him. He has dropped back into private life. The information we have is that he will never again be in with the kind of party that he belonged to at the time he was interned. One of those releases was made in September, 1942, and the other one in October, 1943.

Some weeks ago I think the *PM* newspaper heard that these men had been released and compared what had taken place here with the stir that had been occasioned by the release of one Mr. Mosley in the United Kingdom. As a matter of fact these men had dropped back into private life here and had behaved themselves, and no one connected with either the police or in any other connection had found that any inconvenience to the safety or well-being of the state had resulted. Unless and until something takes place which would convince me that it would be my duty, for the protection of the state, to re-intern them, I would certainly not do so. I have received a large number of communications from various parts of the country requesting that these men be re-interned and that an undertaking be given that they will remain interned for the duration of the war. I replied that it seemed to me to be a most undemocratic suggestion to make; that no one could or should be detained unless there was such evidence as convinced the Minister of Justice that it was necessary to do so to prevent them from acting in a manner prejudicial to public safety or to the safety of the state. And to suggest, because one was called Lorimer and the other Farr, that they be re-interned and that an undertaking be given that they would remain interned for the duration was not a procedure that I could contemplate as a proper one.

I may say right here that no one in the Department of Justice makes any suggestion whatsoever to the members of these committees, each one of which is presided over by a judge, as to what attitude they shall take. There has been no change of policy; there has been a change in conditions. In June, 1940, when it became apparent that there had been fifth-column activity to the extent which was revealed by the tactics in the countries which were overrun, all hon. members remember that there was considerable nervousness in this country and that it was easy for any one who happened to be in the office of the Minister of Justice at that time to come to the conclusion that it might be necessary to order such-and-so for the safety of the state. Large numbers of residents of Canada of German and Italian origin were then interned and since that time a great many of them have been having their individual cases carefully considered and have been released. I do not think a mistake was made in interning them. I think one has to look back to the conditions which existed at that time, and at that time the condition was so urgent that there was no opportunity to examine in advance with the care that has been given to the individual cases since. The Minister of Justice could not afford to take any risks at that time. Fortunately, since that time the situation has considerably improved and something which made the change in the attitude of the Department of Justice to these questions is the entry of the United States into the war. The co-operation which has existed since that time between the R.C.M.P. and the F.B.I. is such that as to the facts and the probabilities a different impression has been created.

Mr. DIEFENBAKER: Would the minister permit a question before he passes on to the next subject? Will he tell us how many residents of Canada are still interned and how many were released during the last year?

Mr. ST. LAURENT: That is the figure I was looking for. There are still over 300 persons other than persons of Japanese origin.

I segregated them because the Japanese situation is one that arose at a later date and has been dealt with in a separate compartment.

Mr. COLDWELL: Does that include all persons of enemy nationality other than Japanese?

Mr. ST. LAURENT: There are about 160 British subjects who are still interned; that is, British subjects by birth or by naturalization.

Mr. SLAGHT: Is it broken down as to racial origin?

Mr. ST. LAURENT: There are held as enemy aliens under regulation 25, 141 of German origin. There are held under regulation 21, as residents of Canada, being British subjects by birth and naturalization, but of German racial origin, 120; of Italian racial origin, 2; of Italian origin, naturalized, 4; others, principally because of their connections with this unity national party, 32.

Mr. STIRLING: No Austrians or Hungarians?

Mr. ST. LAURENT: They have been grouped with the Germans.

There was one other case about which explanations were asked; that was the case of A. N. Schneider. As has been stated, this man was first detained in September, 1939, and released in December of the same year. His release, I understand, was the cause of many protests to the department at that time. In June, 1940, when these orders for detention were being issued against a large number of residents of Canada of German and Italian origin, he was again included and interned. He had a hearing before an advisory committee in September, 1942, and the committee recommended continued detention. He was heard again in February, 1944, at which time he was able to convince the advisory committee, which is one that has been functioning since I came into the department, which has had a great deal of experience, to which no suggestion has ever been made by the government, and with respect to which I would resent any suggestion being made by the Department of Justice—

Mr. DIEFENBAKER: Is the minister free to give the personnel of that committee?

Mr. ST. LAURENT: Yes. The chairman is His Honour Judge M. A. Miller; the members of the committee are Mr. Robert Taschereau, K.C., former chairman of the workmen's compensation board of the province of Quebec, and Mr. W. M. Dickson, former deputy minister of labour. That committee made a report in February, 1944, recommending that this man be released, and the file and recommendation came before me. Of course in many of these cases it would be convenient to be able to give the facts; but it has been felt that it would be improper to give them in one case and refuse to give them in another. For that reason when the question was put by the hon. member for Saskatoon City it was felt that all we could say were the facts which were known. Certainly it does not make a man a safe person to have at large in the country because he happens to have two nephews in the armed forces overseas or because he happens to have a son who has not reached the age when he can enter the army but who has entered the reserve cadet group in his locality. But those facts were notorious; and together with other facts which were brought out in the evidence before the committee they convinced the committee that this man was not now, if ever he had been, a nazi sympathizer, and that it would not be a danger to the security of the state to allow him to be released. Here again, as evidence of good faith, he declared his willingness to sign this undertaking and was released in the ordinary course.

Mr. GRAYDON: Was he interned because he was a nazi sympathizer?

Mr. ST. LAURENT: He was interned at the time all the Germans were being picked up, being interned first in September, 1939, on reports that had been received from the locality in which he lived. Those reports were investigated and found to be not sufficient, so that he was released in December, 1939. Then when the general order was being made, in June, 1940, to pick up all the nazi or fascist sympathizers throughout the country, he was included in the list.

Mr. GRAYDON: If the minister will permit me, while it is hard to know what facts are acceptable and what are not, as the minister knows this Doctor Schneider was alleged to have been very much interested in the election campaign of 1940. It was difficult for the public to understand why he should be picked up and released just before the election; then picked up again after the election was over. When all the parts of this apparent puzzle are put together, of course the public are led to believe what has been stated often in the house and what perhaps will remain in the public mind for a long time.

Mr. ROSS (Souris): He will have a chance to do a better election job this summer.

Mr. DIEFENBAKER: That explanation does not quite agree with the explanation given

by the former Minister of Justice who, speaking in this house on June 13, 1940, at page 745 of *Hansard,* said:

> In one case, which was in Saskatchewan, the man was released under special circumstances in December.

I point out that the minister now says he was released as the result of a finding in his favour.

Mr. ST. LAURENT: Not in December. At that time the system of advisory boards had not been set up. I said after an investigation, but not after a hearing.

Mr. DIEFENBAKER: The former minister went on:

> I was told by my good friend the hon. member for Rosetown-Biggar (Mr. Coldwell) that this man took part in the election which followed. Well, if he did, it did not serve him very well, because I have since ordered his reinternment and he is still in the camp. I have no qualms of conscience as to that case at all. I cannot give to the house the circumstances, but at least one condition of his release was not lived up to, and this circumstance permitted me to order his reinternment.

Then the minister went on to describe a case in the province of Manitoba, of a man with the same surname; he said he had ordered that man's reinternment but felt that it was unfair to have done so, though he had to do it in the circumstances. I point out, Mr. Chairman, that between January 25, 1940, which was about the time the writs for the election were issued, and March 26, 1940, which was the date of the election, fifty per cent of those interned in Saskatchewan were released. That is why there was a feeling that considerations other than the safety of the state had entered into the equation. At that time the minister assured the house that this was not the case.

I should like to say one thing for the minister. While extraordinary powers are given under the defence of Canada regulations in the matter of internment, since becoming minister the hon. gentleman has seen to it that no one has been kept interned after his release has been recommended by an advisory committee, thereby removing the complaint so often heard that unless the minister acted in that way, too great powers were thereby exercised by him.

Now, with respect to internees who are British subjects by naturalization, men who have endeavoured by subversive activities to undermine this country in a time of war, and whose activities have been designed to assist the enemy, has the minister given consideration to recommending a change in the law whereby their naturalization certificates will be cancelled, and whereby when the war is over such people will be returned to those countries they have actively endeavoured to support during this time of war?

It seems difficult to understand why people who came to this country and accepted the honour of citizenship, but who have endeavoured to undermine the state, should after their discharge be permitted to resume their activities as citizens of this country and receive the protection and the honour that British citizenship carries with it. Some amendment or some change in the law should be effected whereby such people would be sent back to the countries the causes of which they have espoused during this period of war. That is the only way in which that vast number of citizens who have come from alien enemy countries but who have remained true and loyal to Canada will receive proper and fair consideration for what they have done during the period of war. They have supported Canada, and they have the right to ask that those who have acted in a treasonable manner shall receive something more than internment.

I think of a man in Saskatchewan living near the town of Gull Lake, who served in the German army before coming to Canada. His son, while a sergeant-pilot in this war, earned the D.F.M., was commissioned, and is to-day a flying officer. To such men, all honour; but with respect to those others who have accepted citizenship in Canada, and at the same time have endeavoured to undermine this country in a time of war, no consideration, political or otherwise, should be permitted to intervene with their being sent back to those countries they have endeavoured to support, while at the same time accepting the protection of British citizenship.

Mr. BENCE: I have listened with interest to the explanations given by the minister, particularly that concerning the Schneider case. As the evidence will appear, Mr. Schneider was released as the result of a recommendation by an advisory committee. I am not for a moment questioning the integrity of advisory committees, but I urge that they should be careful not to relax their vigilance in respect of people who have been placed in internment camps as a result of investigations instituted by the Royal Canadian Mounted Police.

It is true that in June, 1940, this country was considerably aroused and concerned about these matters, and that possibly the vigilance was somewhat greater than necessary. Nevertheless the Schneider case was investigated on September 22, 1942, which is some considerable time later. I presume careful consideration was given to it at that time, and that all evidence was before the committee. The result of the investigation was a recommendation that detention be continued. I

suggest to the minister, and through him to the advisory committee, that the fact the war is looking somewhat better for us should not cause us to relax our vigilance in respect of these suspects.

These signed documents, under which these people promise to be good boys—I think we may put it in that way—do not amount to much. Hitler made promises and did not keep them; and there are lots of other people who are prepared to make promises, but who are not ready to keep them.

Mr. ST. LAURENT: Perhaps it is more significant when one refuses to sign.

Mr. GRAYDON: I doubt that; I should be inclined to think the opposite.

Mr. ST. LAURENT: Not always. However, the matter raised by the hon. member for Lake Centre is and has been for some time receiving careful attention. I believe we shall have at our disposal the results of carefully made and independent investigations into the histories of each of these persons. We shall be in a position to make such use of those histories as may be proper under the conditions of any peace treaty which will be established.

At this time I do not think it would be wise to go farther. We are not going to be unfair to anyone, whatever his origin. That has been the attitude of the government, particularly the departments of External Affairs and National Defence. They have insisted upon the maintenance of that attitude. It is one which I believe should be maintained, because we do not want any other country, some citizens of which may be in Canada, to be unfair to Canadian citizens who are held in such countries as prisoners of war or otherwise. We shall have made investigations which will enable us to have the facts, and we shall be in a position to take the action which may be indicated by those facts.

Mr. DIEFENBAKER: My understanding is that when a person who holds a naturalization certificate as a British subject is found guilty of subversive activities, such certificate is not automatically cancelled?

Mr. ST. LAURENT: No; but that is a matter which is receiving attention. An interdepartmental committee which acts in an advisory capacity has been set up. It will be supplied with all the information, and will have the facts in respect of each case in which action might be taken. I am quite sure the hon. member is not suggesting that a person who is a naturalized British subject and who has been interned should be considered as having against him a conviction for subversive activity. The possibility of subversive activity is all that is required to bring the Minister of Justice to the conclusion that for the safety of the state it is necessary to order internment.

The minister does not attempt to make a conviction. That would mean that the benefit of the doubt would be in favour of the person whose case might be under consideration. Under the defence of Canada regulations it has been and is the practice of placing the benefit of the doubt in favour of the state. If there is any doubt as to a man's being dangerous, such doubt must be resolved in favour of the state. It may be unfortunate in some cases that persons whose intentions and motives and conduct may be innocent should suffer. Nevertheless the rule I have indicated is the one we find it necessary to apply in respect of the administration of these regulations. When it comes to imposing penal sanction—and none could be greater than the cancellation of one's naturalization certificate —we would require the kind of evidence which would justify a conviction.

Mr. MacNICOL: Upon review of a number of cases it has been found that original internment was carried out for no reason other than the one that the internees were of enemy extraction, but were also British citizens. I know of many cases of that kind. Upon review it has been found that these internees have not been dangerous. Is there any move to give them redress for their internment?

Mr. ST. LAURENT: No, there is not. The regulations were administered for the safety of the state and it has not been felt that any consideration should be given to such cases. Should a case arise where there has been a glaring mistake owing to negligence, that would be another matter.

Mr. MacNICOL: At the time I had reference to there was a certain amount of hysteria in the country. This was quite natural, as the minister has explained, owing to the possibilities of subversive activities, but perhaps numbers of persons were interned who should not have been. I have in mind a man who was a really good citizen, a builder who employed many men. I do not know why he was taken up, but he was sent to an internment camp and kept there for quite a while before he was released. Three of his sons were in the army and the fact that he was interned had broken up his entire family. His wife's health has failed and I was just wondering if in a review of any such case there would be any redress.

Mr. ST. LAURENT: I will just make a note of that.

Mr. SLAGHT: My hon. friend says that he knows of a case where an error was made. I have some knowledge of the operations of the Royal Canadian Mounted Police and the Department of Justice in the earlier, stressful days to which my hon. friend refers. There have been remarkably few cases of error in internment, but the situation has changed and releases have been made after careful and full investigation. However, I should not like my hon. friend—and perhaps he did not intend to—to cast any reflection upon the magnificent record of our secret service as carried out by the Royal Canadian Mounted Police in times of great stress, at a time when the mother country had her back to the wall and when there was a growing rumble of subversive activities. In that connection I should like to pay a tribute to the fine work and the few mistakes made in connection with the entire administration of internment operations in this country.

Mr. MacNICOL: I have nothing to say against the Royal Canadian Mounted Police. On the contrary I shall have some fine words to say about them when that matter is before us. That does not come under this item. I was assuming from what the minister said that a large number of internments had been made at a time when there was considerable hysteria, but that to-day only a small number comparatively speaking are still interned. I have known the man to whom I referred for many years, although I cannot say whether he committed any subversive action. He was of Italian origin and his family were highly respected. At that time many Italians were loaded in vans and taken away, and I was wondering if there might not be some redress made in cases like this. Simply because a man is of a certain nationality should not warrant his being unnecessarily, one might say abused, although that is not the right word—perhaps suppressed would be better. We shall never build up a country out of different races, as have our neighbours to the south, unless we have a more human understanding of those different races. This man had a family of seven, all born here in Canada, and several are now in the armed forces. This may be only one case—it is not for me to say—but I merely asked the minister if such cases were being considered. He has said that it will be looked into. I have a very high regard for the Minister of Justice because I have always found him very fair in giving his answers.

Mr. BENCE: I understand that under the regulations a man who is interned cannot run for an election. If Camillien Houde is successful in his application, would he then be in position to stand for election to the various legislative bodies in the country?

Mr. ST. LAURENT: I have been warned several times that it is improper for the Minister of Justice to attempt to give a legal opinion from his seat in the house. I shall refer my hon. friend to the regulation and ask him to draw his own conclusion. It is No. 65, which reads:

> Notwithstanding anything contained in any statute or other law, no person who has been detained or interned under the provisions of these regulations, and while so detained or interned, or who has been convicted of any offence against regulation 39C of these regulations, shall be eligible as a candidate for any public office at any municipal, provincial or dominion election, or otherwise.

That regulation creates an obstacle while a man is interned. As to whether or not there would be an obstacle resulting from internment after his release would, I suggest, depend upon the terms of the provincial or municipal statute that governed the eligibility of candidates for election.

Progress reported.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

KETTLE VALLEY RAILWAY COMPANY

Hon. GROTE STIRLING (Yale) moved the second reading of bill No. 88, respecting the Kettle Valley Railway Company.

He said: I move the second reading of this bill in the hope that it will be sent to the standing committee on railways. Forty years ago the company had power to construct this branch line, but did not do so, or did so only in part, and the desire now is to continue that construction for another ten miles down to a place called Osoyoos, a little north of the United States boundary, where there is a considerable volume of produce to be picked up. The branch line at present stops thirty miles or so south of Penticton, and if the railway is not continued for the other ten miles, the produce from that area, which is continually increasing, will have to be carried by truck on the highway, at the expense of both gas and rubber. The railway company is of opinion that now is the time to continue the construction to this other point of collection.

Motion agreed to and bill read the second time.

FUNDY AIR LINES

Mr. V. J. POTTIER (Shelburne-Yarmouth-Clare) moved the second reading of bill No. 89, to incorporate Fundy Air Lines.

He said: In moving the second reading of this bill, I would call to the attention of the house that order in council P.C. 2200, passed on May 18, 1943, provided that "during the present war or until otherwise ordered by the governor in council no further letters of patent under part 1 of the Companies Act as amended be granted incorporating a company having as a principal object or purpose the operation of aircraft in Canada or between Canada and other countries." That same order in section 2 provides that "applicants should be advised, if they desire to incorporate companies with this particular object or purpose, to apply for incorporation by act of parliament."

I wish to emphasize that the proposed bill does not involve the granting of any specific licence or route to actually engage in air operations between specified points or otherwise operate aircraft. The petition is purely and simply for the incorporation of a company which cannot now be incorporated by letters of patent or charter.

Before Fundy Air Lines, if incorporated, can actually operate, it will be necessary to secure a licence from the Department of Transport which, speaking generally, would warrant the airworthiness of their aircraft, and also to secure a licence from the board of transport commissioners to fly between such points and places as may from time to time be named by order in council. The board of transport commissioners, as the law stands at present, have the sole right to grant licences but only between such points and places as have been named by order in council. It is understood that a number of applications are at present pending before the board of transport commissioners but cannot be dealt with until appropriate orders in council have been passed. The powers asked for in the proposed bill are those usually required to set up company machinery with authority to carry on air line services.

Hon. R. B. HANSON (York-Sunbury): I do not rise for the purpose of opposing the second reading of this bill. What I understand the applicants are asking for is a charter which has been denied them by the order in council referred to by the hon. member who is sponsoring the bill; that is to say, an amendment made under the War Measures Act to the first part of the Companies Act; an amendment made while parliament was in session—be it known to the members of this house—which was made without notice to the public and is an infringement of the rights and privileges of parliament. However, that is in passing.

This bill, I think, should be passed, because it is an evidence that private enterprise is not yet quite dead in relation to civil aviation in this country. It probably is on its way out if the policy of the Minister of Transport is carried to its logical conclusion. I should like to see this bill go to the railway committee, and there the promoters will of course appear to support their proposals and tell the people of Canada just what they have in mind. I think I know what they have in mind. They desire to get a corporate franchise and, if possible, to get authorization to operate certain routes in the maritime provinces; routes, it may be, which have been denied to other private enterprise; I do not know about that. The people who are behind this measure are quite capable financially of entering into this class of transportation business.

I merely rose for the purpose of saying that this bill would have been unnecessary if there had not been an invasion of parliamentary rights on the part of the ministry, and, second, that if these people mean business in the future they should be given encouragement, but if they only mean to get a franchise which will have a nuisance value in the future, it ought not to be granted.

Mr. S. H. KNOWLES (Winnipeg North Centre): I wonder whether any member of the government would care to indicate whether the passing of this bill will in any way conflict with the policies proposed by the government in connection with civil aviation. I understand there is on the order paper another bill in the name of the government dealing with this matter. We have already had considerable debate on the subject. I should appreciate it very much if some member of the government, in view of the absence of the Minister of Munitions and Supply (Mr. Howe), would say a word in this connection.

Hon. J. L. RALSTON (Acting Prime Minister): I would anticipate that in committee the matter would be considered, and the last section of the bill, section 10, which provides that the operations of the company shall be subject to the provisions of the Aeronautics Act and the Transport Act, would be suitably amended in order to make the bill subject to the legislation which is envisaged in the resolution which is now in the name of the Minister of Munitions and Supply (Mr. Howe), namely an act to establish an air transport board, and possibly other amendments to the Transport Act which are now indicated by a bill which is before the house

for second reading. I anticipate that if there is any conflict with regard to policy, having regard to legislation which has been passed or which is envisaged, that would be taken care of by making the bill subject to any general legislation and by other amendments in committee, or possibly on third reading.

Mr. G. A. CRUICKSHANK (Fraser Valley): My interpretation of the legislation brought down by the minister is very much the same as that of the hon. member for York-Sunbury (Mr. Hanson). I am not opposing this particular bill, but it appears to me that the legislation which is sponsored by the Minister of Munitions and Supply (Mr. Howe) is at variance with the purpose of this company, which seems to be trying to get a charter to exploit the men when they come back, in other words to sell it to them.

Mr. HANSON (York-Sunbury): I did not say that.

Mr. CRUICKSHANK: You generally leave out what you want to say and say what you do not want to say.

Mr. HANSON (York-Sunbury): That is a new thought.

Mr. CRUICKSHANK: I am going to vote against this bill because I do not think the principle is right. I am not discussing the technical side of it, but this company seems to be trying to get a charter for the purpose, as I understood the Minister of Munitions and Supply to say, of reserving air lines for the men coming back after the war. I cannot see why the company should ask for this charter. Why can they not wait until after the war? We are taking over other lines, or notifying other private companies, such as the Canadian Pacific Railway company, of our intention to take over lines. Why, therefore, should we grant charters to some private companies? I should like to have a further explanation before I can undertake to support the bill.

Mr. HANSON (York-Sunbury): May I ask a question. Is it not true that Mr. William Wendell Rogers, named as an incorporator in this bill, was one of the most famous Canadian aviators in the last war?

Mr. OLOF HANSON (Skeena): This granting of charters to air lines takes me back over the history of Canada a few years ago when we were granting charters to those engaged in the railway enterprise. What was the outcome? We found that after a certain number of years the Canadian government or the Canadian people had to take over a number of roads which were absolutely useless. If the charter which is sought in this instance is granted, should the private company engaged in operating it find it impossible to continue and be compelled to give up the line, the people who will be served by this line will naturally look to the government for a continuation of the service, just as people did in the case of railways that could not be carried on. I suggest that before such charters are granted the matter should be given very careful consideration.

Mr. POTTIER: To answer the question raised by the hon. member for York-Sunbury (Mr. Hanson), Mr. Rogers, one of the five persons named in the bill, was a member of the air force in the last war and had a record of eleven planes. He was given the Military Cross. Two of the other gentlemen indicated were also in the Royal Air Force, and of the other two one was in the army and received the Military Cross in the last war, while the other was also a member of the armed forces. In short, three of these gentlemen had records in the air force and two were in the army. Answering the suggestion that there is an attempt at exploitation of members of the service, I do not believe the hon. member who suggested this really meant it. If he knew these gentlemen he would not have made the suggestion.

Mr. CRUICKSHANK: May I ask a question?

Mr. SPEAKER: The debate has been closed.

Motion agreed to, and bill read the second time and referred to the committee on railways, canals and telegraph lines.

PATENT APPLICATION OF CLAUDE H. PETERS

Mr. G. J. McILRAITH (Ottawa West) moved the second reading of bill No. 94, respecting a certain patent application of Claude H. Peters.

Mr. GORDON GRAYDON (Leader of the Opposition): By way of interrogation rather than to make any remarks, may I ask the hon. member who is sponsoring this bill whether, to his knowledge, there are any precedents along the line suggested in the bill itself? It opens up an avenue which perhaps may have been opened before. If my memory is correct, and I think it is, when the hon. gentleman introduced the bill he stated that a firm of solicitors was in default with respect to the patent application mentioned in the bill. On a question put to him, as to whether or not the firm of solicitors had been struck from the record because of this particular default, I believe he said it was so. It would appear on the surface as though equity would

be done if this bill were passed and the applicant put in the same position as he was in relation to the original application, so as to wipe out any injustice that might have occurred through no fault of his own. Perhaps the hon. member when he closes the debate will answer the question as to whether or not this will be creating a precedent, because after all this is an important matter.

Mr. McILRAITH: The leader of the opposition is quite correct. He deals with the causes that make this bill necessary. It was a firm of patent attorneys, not solicitors, that was in default. The practice under the Patent Act is to set up a registry, and all patent attorneys entitled to practise under that act are registered. By reason of the failure on the part of the firm to which the applicant sent his work, to carry out its duties this bill becomes necessary.

With respect to the question of precedent, I regret I am not able to answer the question asked by the leader of the opposition, but I shall have the information when the bill is in committee. I would point out, however, that even with the bill the applicant is not in as good position as he would have been had the patent attorneys not neglected their duties. It might be pointed out that under the provisions of the bill the rights of other persons which have arisen since the date his patent would normally have been dealt with are fully protected. We do not know what rights may have arisen in the meantime, but any rights that have arisen are protected under the bill as proposed. Therefore, in no circumstances can the applicant be in as good position as he would have been had he not employed this particular firm of Canadian patent attorneys. As was stated by the leader of the opposition, we are considering this bill because of the failure of the firm of patent attorneys to carry out its duties.

Mr. GRAYDON: Perhaps with the consent of the house I might make just one observation with respect to that. By giving second reading to this bill and referring it to the appropriate committee, I hope we shall not be setting up a precedent so that in subsequent sessions we shall be asked to take similar action when an agent or a person who is employed by some other person, whether he be a patent attorney, a solicitor, or under whatever name he may be known, defaults in his duties. I hope it will be recognized that this parliament will have no obligation either morally, legally or constitutionally to make good in the future default to the person who employed the defaulter to act for him. That is the only point with respect to this bill that seems to present itself. This is the first time since I have been in the House of Commons that parliament has been asked to act in such a way. While it is true we are dealing with this individual application at the present time and that we should as a parliament attempt, if possible, to rectify what seems to be a glaring piece of injustice, and one which was wholly beyond the power and control of the aggrieved person, yet, I do hope it will be made abundantly clear both in committee and on third reading of the bill that parliament is not creating a precedent whereby agencies and defaulters of this kind can have their mistakes corrected. After all, we must remember it was not this parliament nor this government nor the committee which deals with it that had anything to do with the choosing of the particular agent, solicitor or attorney employed by this man to carry out his orders. I hope that will be distinctly understood. I am sorry, Mr. Speaker, that I have encroached upon the time of the house to this extent, but I thought it was important in view of the explanation which the hon. member has made.

Motion agreed to, and bill read the second time and referred to the committee on miscellaneous private bills.

ALBERTA PROVINCIAL BANK

Mr. J. H. BLACKMORE (Lethbridge) moved the second reading of bill No. 109 respecting the Alberta Provincial Bank.

Mr. GRAYDON: I understood the mover of second reading of this bill was in a position to explain its contents.

Mr. BLACKMORE: It is the settled conviction of the people of Alberta that the various provinces in the dominion should be permitted to have provincial banks. They believe that had that policy been followed from the beginning, the economy of Canada would have been in a far better conditon than it is now. The Alberta government is simply petitioning the dominion government for authority to establish a provincial bank for Alberta.

Hon. J. L. ILSLEY (Minister of Finance): I am afraid I cannot, on behalf of the government, consent to the second reading of this bill. I will, however, propose that the course that was taken in 1940 with respect to a similar bill be taken in regard to this bill, namely, that the bill be not now read a second time but that the subject matter be referred to the select standing committee on banking and commerce for consideration and report.

I must, I think, give some reasons why I think that is the proper course to follow. I

have looked at the bill and I have also examined the bill which was introduced in the Alberta legislature authorizing the formation of the Alberta provincial bank. I have not seen the act which was passed by the Alberta legislature, and I do not know whether the act is in the same terms as the bill that was introduced; but the plan of the Alberta government is to establish a bank called the Alberta provincial bank and that the owners of that bank will be province of Alberta. The $500,000 which are initially subscribed for shares are to be paid by the government of Alberta. It is to be Alberta provincial money. The directors of the bank are the members of the Alberta provincial government. The directors are not to own shares in their own right, as provided by the Bank Act, but are to hold their shares in trust for the province of Alberta.

Then by section 5 of the bill it is proposed that some sixteen sections of the Bank Act shall not apply to the proposed new Alberta provincial bank. Let me refer to a few of these sections. In proposing that sections 11 and 20 of the Bank Act shall not apply, certain minimum requirements are removed in the matter of both provisional directors and the directors who are elected by the shareholders. These two sections require that each provisional director or elected director be (1) a bona fide subscriber of stock of the bank on his own behalf; (2) become the absolute and sole owner in his individual right of such stock, and not as trustee or in the right of another; (3) a subscriber for and pay up not less than $3,000 for such stock in the case of a bank capitalized at $1,000,000 or less, $4,000 in the case of a bank capitalized at over $1,000,000 but not over $3,000,000, and $5,000 in the case of a bank capitalized at over $3,000,000. A further requirement in the case of directors elected by the shareholders is that a majority shall be natural born or naturalized British subjects domiciled in Canada. This bill dispenses with these minimum requirements of the Bank Act, and in doing so the bill would appear to be running contrary to a fundamental principle of that act, which is that bank directors be not mere trustees or nominees of some unknown or impersonal owner of stock, but that they be individuals with a definite personal stake in the business and a personal responsibility for the way in which the affairs of the bank are conducted and the money of the depositors is handled. I referred to the provision of the Bank Act which ensures that a majority of the elected directors must be British subjects domiciled in Canada. This provision is put there for a purpose. Any exclusion of its operation in the case of a particular bank would seem to require the most careful consideration by this parliament.

Then section 12 of the Bank Act is not to apply to the proposed bank. This section provides for the opening of stock books for public subscription after ten days' public notice. A subscriber to stock is required to give particulars of his address and occupation as well as the number of shares subscribed for. Section 33 of the Bank Act is excluded. This section provides that any of the original unsubscribed stock or any increase in stock may be allotted to the original subscribers *pro rata* at not less than par and, *inter alia,* for a price payable in money. These safeguards are of the utmost importance to depositors and creditors of a bank. Any exception from the operation of this section should be most carefully considered. In excluding sections 35, 37, 39, 40 and 41 of the Bank Act, the bill removes provisions dealing with the right to call on shareholders to pay up any unpaid amount on their stock. It may be that the committee or this house, after examining the Alberta statute, will come to the conclusion that these sections of the Bank Act have no application in this particular case. On the other hand, parliament may come to the conclusion that the dominion should not enact legislation leaving this matter unprotected and dependent upon the continuation of the present provincial legislation.

The other sections of the Bank Act which are excluded have to do with the transfer and transmission of the shares in a bank. These exclusions have to be examined in the light of the provincial statute, which contemplates a holding of the shares by members of the government of the province, and the cessation of their ownership of the shares when they cease to be members of the government of the province. Here also the question of the continuation of the provincial statute in its present form must be examined. In pith and substance the bill is just what the mover described it to be; it is a bill to make the province of Alberta a bank.

Mr. HANSON (York-Sunbury): Another department of the government.

Mr. BLACKMORE: It is to give the province of Alberta power to have a provincial bank.

Mr. ILSLEY: It depends upon what you call a province, but it makes the provincial government of Alberta a bank.

Mr. BLACKMORE: Do you call the government of the Dominion of Canada a bank in the case of the Bank of Canada?

Mr. ILSLEY: No.

Mr. BLACKMORE: Certainly not. The Bank of Canada is a national bank, and the proposed bank will be a provincial bank. To say that the provincial government will be a bank is just as absurd as to say that the dominion government is a bank.

Mr. ILSLEY: But the directors of this proposed bank are to be the ministers of the crown in the province of Alberta. Apparently the whole intention is that these ministers will sit in their executive council chamber one hour, and then go on with the business of the bank. It is the executive council of the province of Alberta functioning as a bank. That was the conclusion of the law officers of the crown with regard to the previous bills introduced to incorporate an Alberta provincial bank, which were submitted to this parliament in 1940 and 1941. On those two occasions the law officers of the crown expressed grave doubts as to the constitutional validity of such a proposal. They have not had an opportunity to give full consideration to bill No. 109 and to the recently enacted Alberta statute, which has a bearing on the question of constitutionality. The terms of that provincial statute would, of course, have a bearing on that question.

Again, until the amendments to the Bank Act have been passed by this parliament, it would not be advisable to give this bill second reading. In bill No. 91, which has just been referred to the banking and commerce committee, the right to issue notes is to be taken away from existing banks as from January 1, 1945, and is to be denied to new banks. The double liability feature of the bank stock is to be amended in accordance with such changes. In reading bill No. 109, I take it that the sponsors had such amendments to the Bank Act in mind, because there is no provision for any liability in addition to the original $500,000. That might not make much difference if the amendments to the Bank Act introduced this year become law, but one never knows whether or not they will become law. If they do not become law perhaps this bill should be changed somewhat, if, indeed, it is considered at all.

For these reasons, because this experiment is something never contemplated by the Bank Act; because it excludes the operation of quite a number of important sections, and because its constitutional validity is at least doubtful, I should think there would be something pretty anomalous about making a provincial government a bank, or a province a bank, to all intents and purposes. That is what this does; it puts them in the banking business.

[Mr. Blackmore.]

Mr. BLACKMORE: No more than the dominion cabinet is a bank.

Mr. ILSLEY: We are on the constitutional point now, and constitutionally this is a dominion sphere, not a provincial sphere.

Mr. BLACKMORE: That is why we are asking the dominion to give us power to have a bank.

Mr. ILSLEY: The question is whether we have power to delegate that; that is the constitutional point I am talking about. Therefore for these reasons—and possibly there are other reasons as well—I wish to move in amendment:

That this bill be not now read a second time, but that the subject matter thereof be referred to the select standing committee on banking and commerce for consideration and report.

Hon. R. B. HANSON (York-Sunbury): Mr. Speaker, if my memory serves me correctly, that was the course pursued on a previous occasion.

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): The bill was not read a second time, but was referred to the banking committee for consideration.

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): And it is my recollection that on that occasion I took the position that this house might as well deal with the principle of the bill right here and now, without its going to the committee.

The minister's observations opposing a second reading of the bill have a good deal of weight; there is no doubt about that. A grave constitutional principle is at stake. I do not think it is within the powers of parliament to delegate to a province the jurisdictional functions of the federal government, which are comprised within the provisions of section 91 of the British North America Act—and especially in the form in which it is proposed to be done here.

I should have thought the straightforward course would be to deal with the principle of the bill now, under this motion. However, since the ministry is apparently not prepared to do that—although that would be the courageous course, and the course which I think will be followed in the end—I am not going to oppose the amendment. I should think, though, that we might as well deal with this question as it now presents itself to the house in the matter of the principle involved in this proposed legislation. The house has to grapple with this situation sooner or later, and sending

it to a committee which already promises to be more than overworked will not ensure for it any better consideration.

I am not going to state any opinion I hold with respect to the proposal, but I suggest it would be much better to deal with the matter here and now, once and for all.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, as the hon. member for York-Sunbury (Mr. Hanson) has said, the house must grapple with this situation sooner or later. But the way in which the house should grapple with it is not, in my judgment, the way in which the hon. member for York-Sunbury has in mind.

If it is not constitutionally competent for the dominion government to grant to a provincial government the right to have a bank, then something was seriously wrong with the constitution of Canada when it was framed.

Mr. STIRLING: That is a matter of opinion.

Mr. BLACKMORE: To tell any sensible individual, anywhere, that the province of Ontario, for example, is not entitled to have a provincial bank, is to say something that commends itself to any ordinary intelligence as being absurd. And to say that this dominion parliament, which is a creature of the various provincial legislatures of this country—

Mr. HANSON (York-Sunbury): Well, that is a new theory of confederation.

Mr. BLACKMORE: To say that this parliament, which is the creature of the four original provinces of the dominion, has not the power to give back to one of those provinces the right to have a bank, is to say something that would puzzle the traditional Philadelphia lawyer.

I maintain that the time has come when the house has to face the responsibility of granting to the provinces the right to have banks. Alberta is merely leading the way. Her vision is clear; she knows where she wants to go, and she knows where she will go if the reactionaries who stand in the way of progress in this nation do not block her. The question is clear: Is this parliament going to give a sovereign province of the dominion the power to have some little influence in the conduct of the economy of that province, or is it not? I maintain that it is the duty of this parliament to grant a province of the dominion the right to have a bank.

The minister had several objections. Those objections are caused from the fact that there is an anomalous situation in the dominion. When the constitution of Canada was framed, apparently no provision was made for the granting of a bank to any province, in case such province should wish to have a bank. The result is that new ground has to be broken. Alberta, with the advice of an exceedingly well-informed attorney general's staff, has devised a scheme which, in their judgment, constitutes the best scheme for granting a bank to a province. This would constitute a precedent under which other provinces of the dominion in their turn could be granted banks.

I believe I have said sufficient to justify the house in voting down the minister's amendment, and voting for the second reading of the bill.

Mr. J. W. NOSEWORTHY (York South): Mr. Speaker, I was not quite satisfied with the minister's explanation that this parliament cannot constitutionally give a province the right to set up a bank. I am wondering just how it was that parliament was able to grant to private individuals the right to set up banks—a right that the dominion cannot grant to a province.

I understand that the control of credit and finance was, by the British North America Act, vested in the dominion government; and that shortly after confederation the dominion government did delegate that privilege to banks. I am wondering just what the difference is between that concession to the banks, and the concession here asked.

The minister pointed out further in his speech that certain sections of the Bank Act shall not apply. I realize that I may not ask a question at this point, but possibly the minister will clear up the situation. I am wondering whether these same sections now apply to the Bank of Canada, as they do to the private banks; or is the Bank of Canada exempt from the application of some of those sections, as is requested in this bill?

Amendment (Mr. Ilsley) agreed to on the following division:

YEAS

Messrs:

Anderson	Cleaver
Bertrand (Prescott)	Coté
Bertrand (Terrebonne)	Cruickshank
Black (Yukon)	Dechene
Blair	Dupuis
Blanchette	Edwards
Bonnier	Emmerson
Bradette	Esling
Casselman, Mrs. (Edmonton East)	Evans
	Fauteux
Casselman (Grenville-Dundas)	Fournier (Hull)
	Fraser (Peterborough West)
Chevrier	
Claxton	Gershaw

Gibson	McNevin (Victoria, Ont.)
Gladstone	McNiven (Regina City)
Golding	MacNicol
Graham	Marier
Grant	Martin
Graydon	Matthews
Gregory	Mayhew
Hanson (Skeena)	Mills
Henderson	Mutch
Howden	O'Neill
Hurtubise	Pinard
Ilsley	Pottier
Isnor	Purdy
Jackman	Ralston
Jean	Reid
LaFlèche	Rennie
Leger	Ross (Calgary East)
Little	Ross (Hamilton East)
Lizotte	Ross (St. Paul's)
McCann	Ryan
McCulloch	St. Laurent
MacDiarmid	Sanderson
Macdonald (Halifax)	Sissons
Macdonald (Kingston City)	Soper
McDonald (Pontiac)	Stirling
McGarry	Taylor
McGeer	Thauvette
McGibbon	Tripp
McIlraith	Tucker
McIvor	Turner
MacKenzie (Neepawa)	Tustin
McLarty	Weir
McLean (Simcoe East)	Whitman
Macmillan	Winkler—93.

NAYS

Messrs:

Blackmore	Kuhl
Burton	Marshall
Castleden	Nicholson
Coldwell	Nielsen, Mrs.
Gillis	Noseworthy
Hansell	Quelch
Hlynka	Raymond
Jaques	Rose
Johnston (Bow River)	Shaw
Knowles	Wright—20.

SECOND READINGS

Bill No. 90, to incorporate Workers Benevolent Association of Canada.

Bill No. 92, to incorporate Wesleyan Methodist Church of America in Canada.

Bill No. 93, to change the name of The Discount and Loan Corporation of Canada to Personal Finance Company of Canada.

Bill No. 95, to incorporate the executive board of the Canada conference of the Evangelical Lutheran Augustana Synod of North America.—Mr. Maybank.

Bill No. 102, respecting Vancouver, Victoria and Eastern Railway and Navigation Company, The Nelson and Fort Sheppard Railway Company and Great Northern Railway Company.—Mr. Reid.

[Mr. Noseworthy.]

WAR APPROPRIATION BILL

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

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

DEPARTMENT OF JUSTICE

Administration of the defence of Canada regulations, $30,000.

Mr. NOSEWORTHY: I should like to revert for a moment to the subject of Jehovah's Witnesses. I realize, from the correspondence and the interviews I have had both with and on behalf of these people, something of the difficulty which confronts the government, and particularly those departments of the government concerned with selective service and national defence, in dealing with them. I am sure that every hon. member will support the government in its position that no single group of citizens should, because of their religious beliefs, be exonerated from bearing their share of responsibility as citizens in times such as these.

I am not sure, however, that all the difficulties which have been encountered in dealing with these people are of their own making. The minister intimated that there are government officials who are a bit overzealous. From what I have seen I have been led to believe that many of these officials are more concerned with the enforcement of regulations for the sake of enforcing them than with the ultimate effect of enforcement upon our war effort.

The minister gave reasons for not lifting the ban on the subsidiary corporations of the Witnesses. My information is that Canada is the only one of the allied countries which places a ban on these corporations. I assume that the United States, and Great Britain and other parts of the empire, are equally concerned for the safety of their particular countries; yet we find that for some reason we alone cannot lift the ban, as recommended by the parliamentary committee some years ago.

I myself am in a bit of a quandary on this point. Reference was made this afternoon to literature which is banned from this country because it is published by the Watch Tower Bible Tract Society of the United States. I, unfortunately perhaps, have in my possession a book which was published by that society. It is the King James version of the bible. It was left with me a couple of weeks ago by one of these gentlemen who was visiting members

of parliament. At the time I did not realize that the book was banned and I took it. My question is, what am I to do with it now? If I keep it I am no longer a law-abiding citizen; I have in my possession banned literature. If I give it to someone else I am placing that person in the position I now am in. My religious scruples will not permit me to destroy this book, even though I am not a member of Jehovah's Witnesses. I should like the minister to tell me how I stand in this respect with the Department of Justice.

Mr. REID: Did the hon. member not previously own a copy?

Mr. NOSEWORTHY: Wait till I have finished—

Mr. REID: I am astonished.

Mr. NOSEWORTHY: I did not previously own a copy published by the Bible Tract Society.

Mr. REID: I am speaking of the bible.

Mr. NOSEWORTHY: The minister referred to the large number of these people who profess to be clergymen and therefore claim exemption from military service. Here again, I suppose that all of us will agree with the minister that everyone who professes to be ordained by God and thereby claims exemption from military service should not get that exemption. My information is, however, that although these people are reputed to have some thirty thousand members in Canada they are not permitted exemption for a single one of their leaders, although many of them have devoted years of their lives to the full-time work of teaching their doctrines. In this respect too, I understand, Canada is the only one of the allied nations that refuses to grant to those recognized leaders who devote full time to this work exemption on the same ground as is valid for clergymen of other religious denominations.

I have before me the regulations which are in effect in the country of our neighbour to the south, where a considerable number who are able to show that they have been devoting full time to this work are granted exemptions as clergymen. What I should like the minister to explain is, what are the conditions in Canada which make us different from other parts of the empire and the United States and render it impossible for us to grant concessions which these countries have granted?

Mr. ROSE: I was not satisfied with the explanation given by the minister regarding the release of Farr, Lorimer and Schneider from internment. I watched the activities of Farr and Lorimer in Toronto. Lorimer was a dangerous man. Although not officially the leader, he gave instructions to Farr, who was the organizer. Lorimer was the power behind the throne, the man who pulled the strings. Very often Adrien Arcand used to come to Toronto and, instead of discussing important matters with Farr, would discuss them with Lorimer. When the gang, eleven of them, were taken, they went into custody with the hope that they would be out soon. In the camp Arcand told his people, "Six months, and we shall be in power in Ottawa."

When things did not go so well with them, in other words, when Hitler was not doing so well, they naturally started to fight among themselves. This is what happened, and Farr weakened. I know of differences that arose between Farr and Adrien Arcand in Fredericton. I brought the matter to the attention of the authorities and pointed out that Farr was weakening, but not so Lorimer. Lorimer was in the camp very close to the nazis. At all times he lined himself up with the German nazis against anyone who dared to utter a word against fascism or nazism. I cannot understand, therefore, why Lorimer was released even earlier than Farr. If Farr weakened, it was not because he lost faith in the ideals of fascism and became a great upholder of democracy, but because the ship was sinking and the rat was willing to jump off the ship.

I cannot understand why men like these should be released. We are told that the situation to-day is better in regard to the war and that we can give these people a chance.

Mr. DUPUIS: Can you understand why Tim Buck was released?

Mr. ROSE: Let me finish. But the nazis, I understand, who are in the camps to-day are as cocky as ever, and if anyone in a camp raises his voice to utter any doubt about the outcome of the war things are made hot for him. I have heard stories of persons—their own people—being practically crippled because they dared to raise their voices and to express a doubt about the ultimate victory of Hitler. Why should we imagine that, because one of them says that from now on he will be a good man, he meant it? Can we believe that Schneider has suddenly become a good democrat? It pays him to say so and he says it. I repeat, the nazis are pretty cocky and the fascists have not given up their ideas. When we hear reports of some of the nazis already preparing a great underground movement for the post-war period we can believe it.

I do not believe in the theory of softness toward them. If we show softness toward our own native fascists I am very much afraid we shall show it toward the nazi enemies against whom we are fighting at the present time. It is a problem of softness; that is what it is, and I cannot agree that we can afford to be soft with these people.

When these men were arrested, the late Minister of Justice, the Right Hon. Ernest Lapointe, said that the attorney general of Quebec had sent him a report in the matter—I quote from *Hansard* of the session of 1940 at page 983:

> The attorney general of Quebec has sent me a report in the matter, accompanied by certain exhibits which show clearly that those people had communications and intelligence with enemies—Germany, Italy and elsewhere.

If that were true in 1940, how can we in this stage of the war, when the toughest battles are being fought, release these people? At the same time the late Minister of Justice, in reply to a question asked by the hon. member for York-Sunbury (Mr. Hanson) as to whether there would be a trial for these people, said, "Yes, there will be a trial." I would say that there should have been a trial. If these people were guilty of treason, the people of Canada should have known about it and no one would have been deceived. Trials are taking place in the United States at the present time. There are thirty seditionists appearing for trial there. The whole story will be told to the American people and their morale will be strengthened rather than weakened by the disclosures of the facts. I do not see why people like Arcand and his friends should not have been tried. On March 8, in Washington, in connection with one of the trials taking place there, the attorney general said: "Hitler had his quislings in the various countries. He had a Quisling in Norway, Laval in France, and he had Adrien Arcand in Canada." That is what the attorney general of the United States says; and *News Week* of this week suggests that after the release of Farr and Lorimer there is talk of the release of Adrien Arcand. If that were to happen, then I say it would be a crime against the people of Canada. I will go farther and say that we cannot even be satisfied with having taken in the few that we have.

In the province of Quebec, the good name of our people is being besmeared by elements like Menard, who to-day issues a sheet known as *Le Bavard*, in which he writes a eulogy of Major Scott, one of the fascist leaders, who died in the camp, suggesting that a statue be erected to this great soldier-hero who died in the struggle *contre la juiverie*, as he describes it—the struggle against Jewry.

[Mr. Rose.]

Menard was not touched, although he was one of the early editors of *Le Goglu* and *Le Patriote*. We have Salluste Lavery, one of the old gang of fascists. He was not touched. There are many others who, by means of their agitation in the province, are issuing material of a type which is calculated to do great harm. The other day I picked up "La Prière d'un Juif", "A Jewish Prayer", the most insulting piece of propaganda ever issued in a democratic country, especially at this time of war. It is unsigned, but surely it should not be very difficult for the Royal Canadian Mounted Police and the Department of Justice, by merely checking the type, to find out where this insulting publication was printed and who was responsible for it.

On the other hand, in regard to certain other elements, the same Department of Justice is not too lenient. I refer to a group of Finns in Sudbury, editors of a paper known as *Vapaus*, a paper which has always been opposed to the leadership of the Finnish fascist Mannerheim. It is a paper that upholds Canada's war effort. There are a few people at the head of that paper who have to report every month to the Royal Canadian Mounted Police, though I do not know of any other Finns who have to report similarly. One of these people has three sons in the armed forces. Such a situation is ridiculous. I should like to know who advises the Department of Justice in regard to these people. They have always been anti-fascist; they have never had anything to do with Mannerheim or his gang; yet they have to report once every month to the R.C.M.P. It is a most unsatisfactory state of affairs and I should like to have an explanation of the matter.

I wish to ask a few more questions. How does it happen that the R.C.M.P. and the Department of Justice are involved in cases of men who have joined the army? I have here a letter of a man who has been in the army. He was proposed for officer training and was suddenly called in by the personnel man and told, "we like your work very much; you are very good, but in 1939 you were a member of the young communist league and a C.I.O. organizer. The R.C.M.P. say you cannot go to the officers training school". Who gives the R.C.M.P. that power? Do we not have a military department that looks after those matters or is the R.C.M.P. a super-government? I should like an answer to that question.

I know a man who wants to go back to Italy. He was a member of the Italian government before Mussolini came into power. He was the mayor of an Italian town. He wants to return to Italy to do his duty to his

country, but what happens? The R.C.M.P. tell that man that he cannot return to his own country. I say that is going beyond the duties of the R.C.M.P. and the Department of Justice. I have here a copy of the report of the R.C.M.P. We find a whole section in it on labour, although there is a labour department. What have the R.C.M.P. to do with labour?

The CHAIRMAN: Order. The hon. member for Cartier will find an item in the Department of Justice estimates dealing with the R.C.M.P.

Mr. ROSE: Then I shall conclude my remarks. I raise these points not because I want to attack the government or to raise opposition for the sake of opposition, but because the policy of the department appears to me to be a policy that has nothing in common with the policy of the government or the policy of the people fighting against fascism.

Mr. COLDWELL: It seems to me that we have had a good illustration this evening of what many of us feared would occur when the defence of Canada regulations were first adopted by this government and approved by parliament.

I do not believe that it is ever wise to put people in gaol or to incarcerate them without giving them an opportunity to defend themselves according to the principles of democratic justice. I have a good deal of sympathy with the point of view that we may have put into internment camps people who ought not to have been there, and we may have let out of internment camps people who ought still to be in them. The suspicions of the people are aroused. They think there has been either persecution of favouritism. There are no public records to show whether there has been persecution or favouritism. To-day we have the statement made—and I believe that the statement is justified—that the person named Lorimer is the man who with Arcand was regarded as the agent of the nazi movement and of Hitler in this country. Many people are suggesting that. I have had letters, as I have no doubt have other hon. members, and resolutions over the past few weeks, stating definitely that the government is more friendly to persons of that type than to persons with democratic sympathies. I do not believe that statement, but I know such statements are being made and believed. To-night we have had an expression of such an opinion. Of course, the defence of Canada regulations are still in effect and we are still operating under them. I remember very well that when they were brought down early in the war we opposed them, and we have endeavoured to get something in the nature of a proper trial for people who are incarcerated.

I realize, as will all hon. members who have served on the defence of Canada regulations, that there may have been occasions when it might have been almost impossible, because of the war situation and the need of seeing to it that persons who were engaged in subversive activities were not forewarned of the people who were reporting upon them, not to vary to some extent the form of trial with which we have been familiar; but I insist that we have been wrong in this respect. To-day we are raising in the minds of the people across the country the opinion that there is an element of favouritism or undue influence somewhere that is allowing people like the ones we have been discussing this afternoon and this evening to be at liberty without an adequate explanation or without even an adequate trial. I have confidence in some of the people who have headed those committees. Some of us in this house who are aware—as some of us are—of the situation that developed when Italy entered the war, and what happened then, know how dangerous this kind of method of dealing with the problem which confronted the nation can be. I suggest that the minister and the department owe it to the house and the country to give a clear explanation as to why these things are being done at the present time; otherwise the suspicion will continue either that there has been undue poltical influence or that a certain amount of favouritism has been exercised in some of these cases.

I am of the opinion that where you have a man like the person named by the hon. member for Cartier, Lorimer, who was engaged in the kind of activities in which I am told and believe he was engaged, in the early part of the war or before the war, no kind of declaration that he was prepared to act differently would satisfy my mind. I would want some other and more concrete assurances that we would not be subject to the kind of propaganda that these people were engaged in. I know the hon. member for Cartier wrote a very interesting pamphlet a few years ago in which he outlined some of the activities of these people. I remember getting a copy of it at the time. It seems to me that the minister will have to be clear to the committee, and through the committee to the country, as to why these sympathizers with the nazi regime have been let out among us at this particular time.

Mr. JOHNSTON (Bow River): I want to bring to the attention of the Department of Justice another grievance which has to do

with the class called Jehovah's Witnesses. The hon. member for Macleod dealt quite fully this afternoon with some of the accusations that were made against them. He read extracts and affidavits to the committee so that the minister might become better acquainted with some of the things that are happening. Now, as far as—

Mr. ST. LAURENT: If the hon. member wishes to refer again to the matter of affidavits, and to how certain persons were treated in military camps, I shall have to raise a point of order. It was clearly demonstrated that that was something which was being investigated by the Minister of National Defence and was something with which the defence of Canada regulations had no connection whatsoever.

Mr. JOHNSTON (Bow River): If the minister is going to get all worked up about this I shall have to object. I had no intention of referring to that matter; I just happened to mention it in passing. What I wish to refer to is an entirely different matter. It just goes to prove the contention that I was about to make and I am not one of Jehovah's Witnesses. But let it be clearly understood that I do not stand for any partiality in so far as religion is concerned. I cannot see why any Christian group, so-called, in this Canada, whether they be Catholics, Protestants, Jehovah's Witnesses, or any other group, should be treated differently. The minister seems to get quite perturbed when anyone mentions Jehovah's Witnesses. A great deal could be said on this question of religion and the injustices that have been carried on. I do not intend to go into that, but I should like to bring a particular case to the attention of the minister, since I think it has to do with his department. I have a letter from one Orest Zarysky, a minister of Jehovah's Witnesses. Surely it is not right that any man appearing before a board in this country should have his credentials taken away from him and not given back, but that was what happened in this case. I will read part of his letter, where he says—

Mr. ST. LAURENT: I rise to a point of order. The mobilization boards have nothing to do with the defence of Canada regulations, and I do not think it is proper to discuss on this item the procedure before such boards.

Mr. JOHNSTON (Bow River): I am not bringing in the question of the mobilization boards; I am pointing out that when this man appeared before the mobilization board—

The CHAIRMAN: I do not see how that question has anything to do with the item at present before the committee. The point of order has been well taken by the Minister of Justice. I rule this afternoon, and I am going to rule again to-night, that we must keep within the bounds of the item under consideration or I shall have to appeal to the committee.

Mr. JOHNSTON (Bow River): But this was a case where papers were illegally taken from a man.

The CHAIRMAN: Order.

Mr. JOHNSTON (Bow River): It does not make any difference whether it was a mobilization board or who it was.

The CHAIRMAN: The minister has said, and of course I am bound to accept his statement, that the mobilization boards have nothing to do with his department, so that we must not have any discussion of that kind on this item.

Mr. JOHNSTON (Bow River): Is it considered just, Mr. Chairman, that the credentials of any individual in this country, whether he be a member of Jehovah's Witnesses or of any other religious group, should be taken from him—

Mr. DUPUIS: Were they taken by some official of the Department of Justice?

Mr. JOHNSTON (Bow River): Certainly they were.

Mr. DUPUIS: An official of the Department of Justice?

Mr. JOHNSTON (Bow River): It does not make any difference; they would not have to be taken by an official of the Department of Justice to have the matter come under this department, surely. If a man commits a crime he does not have to be under the Department of Justice before he can be arrested. This man had identification papers taken away from him. It makes no difference who took them; they were taken illegally.

The CHAIRMAN: Order. We are in committee at the present time discussing a special item of the Department of Justice under the war appropriation resolutions. Paragraph 2 of standing order 58 reads:

> Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

I must abide by that rule or be remiss in my duty.

Mr. JOHSTON (Bow River): I understand that we are still on the resolution, and I

would refer you, Mr. Chairman, to the statement made this afternoon by the hon. member for Rosetown-Biggar, who pointed out that under this item anything at all could be discussed. I do not think my remarks are out of order, but I do not intend to go into the matter at any length. What I want to get from the Minister of Justice is—

Mr. MACDONALD (Kingston City): I rise to a point of order. Surely under this war appropriation we cannot discuss matters which properly come under the civil estimates. If the Department of Justice, through some of its officials, has made a mistake in reference to civil administration, that is another matter; we are now dealing with the war appropriation. I am sure the hon. member for Bow River will agree with that.

The CHAIRMAN: With regard to the point of order raised by the hon. member for Bow River, this afternoon the hon. member for Rosetown-Biggar did suggest that technically we might discuss anything at all under the war appropriation resolution. That may be true, relatively, but for the last three sessions it has been understood by every hon. member of the committee that after a general discussion has taken place on the administration item the discussion must relate to the particular items before the committee. I do not believe either the hon. member for Bow River or the hon. member for Rosetown-Biggar would want to break this precedent, because we have always found wonderful cooperation in the deliberations of the committee, and this help was certainly given readily by those two hon. members.

Mr. JOHNSTON (Bow River): I understand that these are the estimates of the Department of Justice.

The CHAIRMAN: A special item of the Department of Justice under the war appropriation resolution.

Mr. JOHNSTON (Bow River): Yes, the administration item; and Jehovah's Witnesses have been discussed all afternoon and evening.

Mr. ST. LAURENT: And it was precisely because the discussion was out of order, and was made clearly to appear to be out of order, that I raised the point this evening. We went on this afternoon for two and a half hours, but now we are discussing the item that has to do with the defence of Canada regulations. The hon. member has some grievance in regard to something that happened before a mobilization board, set up by the Department of Labour. I suppose it would take less time to let him go ahead and say anything he wanted than it would to get a decision as to whether or not this discussion is relevant to the defence of Canada regulations. Clearly it is not relevant. The hon. gentleman wishes to complain because some papers were taken from some man by some mobilization board. How that can be relevant to the defence of Canada regulations is beyond my comprehension.

Mr. JOHNSTON (Bow River): I think the minister is trying to exaggerate the situation. It has always been customary to have a general discussion of the affairs of the department concerned on the first item in the resolution.

Mr. MACDONALD (Kingston City): I rise to a further point of order. I think my hon. friend must realize that any item at all cannot be discussed under the war appropriation; it must have something to do with the war appropriation. You cannot drag in a civil item of the department under the war appropriation resolution, and I think that was what the hon. member for Rosetown-Biggar had in mind when he made his point this afternoon. We are technically free to discuss any matter relating to the prosecution of the war under this general item, but not a matter relating to the civil estimates.

Mr. COLDWELL: I think the whole trouble is with the manner in which this has been discussed. We have no bill and we have no schedules under which we can discuss matters item by item. I do not think we should take advantage of a technical point, but if you look at the resolution you will see that it says, "that it is expedient to introduce a measure for the security, defence, peace, order and welfare of Canada." I should like to know where anything wider than that could be found.

Mr. MACDONALD (Kingston City): There are other estimates than these.

Mr. COLDWELL: I say I do not think we should take advantage of the technicality.

The CHAIRMAN: Yes, the hon. member so stated this afternoon. If I am allowed to speak again, I realize that on a resolution of this kind discussion must necessarily be on a wide scale, but at the same time there must be a limit to the repetition which may be permitted. Every hon. member must realize the impossibility of keeping two or three ministers and half a dozen officials on hand to answer the questions that may be asked. I am sure it is not the intention of the committee to act in that way, and it would not be conducive to effectiveness.

Mr. JOHNSTON (Bow River): This department had to do with the setting up of

the defence of Canada regulations, which imposed these restrictions upon this particular class of people. It was as a result of these regulations that a great many of these things occurred; and because some injustices were done by these regulations surely this is the time we should discuss them. These things happened as a result of the very regulations that were created by the Department of Justice.

I appeal to the Minister of Justice to see that justice is carried out for all classes of people, regardless of religion. Here is a particular instance in which an individual comes before a certain group of investigators, and he has taken away from him certain papers that prove his identification. Is it to be considered an act of justice that any individual in Canada can have taken from him papers of identification which will never be returned to him? I do not think that is justice, in any sense of the term.

I am not going to labour the point, but in all fairness to Jehovah's Witnesses, or to any other group, some provision should be made, and should be made now, whereby all these injustices would be removed.

Mr. STIRLING: The minister said this afternoon that there were 300 in internment. He then referred to 120 of British origin in internment. Is the latter figure of 120 included in the 300, or an additional number to be added to it?

Mr. ST. LAURENT: It is included in it.

Mr. STIRLING: How many Japanese are now in internment? Would the minister divide the number into those who are Japanese nationals, those who have been naturalized, and those who are Canadian born?

Mr. ST. LAURENT: As of May 15 there appear to be 430 persons of the Japanese race still interned, of whom 268 were interned under regulation 21, as being British subjects, or treated as such, and of whom 162 were interned under regulation 25 as being Japanese nationals, or treated as such.

Mr. STIRLING: Does that include the naturalized ones?

Mr. ST. LAURENT: Yes. The 268 include the naturalized ones. I have not the division between those who were treated as British subjects because of naturalization, and those who were treated as such because of birth in this country.

Mr. STIRLING: Would it be possible to obtain that figure, and let me have it?

[Mr. C. E. Johnston.]

Mr. ST. LAURENT: I think it will be possible, although it will take some little time. However, I shall be glad to have instructions given to have a statement prepared as accurately as we can have it prepared from the records. Our records are fairly complete. It will take some time, because it will involve looking up the pre-war registrations which, as the hon. member knows, were obtained by the Royal Canadian Mounted Police. We would have to check the information obtained at that time with the names of the internees dealt with under regulation 21.

Mr. STIRLING: Have any Japanese who were once interned been released, as so many of those of Teutonic origin have been released?

Mr. ST. LAURENT: The total number of persons of Japanese race who were interned is 782, of whom 352 have been released. The hon. member will recall that in the 782 there are included some who temporarily refused to accept orders of removal issued against them. I have not with me the break-down as to how many were regarded as British subjects, either through naturalization or through being born here. That is the total number of those who were released.

Quite a large number were interned for only a short time because they had refused to comply with the removal orders issued against them. As soon as they did agree to comply with the removal orders they were removed from the internment camps, under the regulations, but came under the supervision of the British Columbia Japanese commission. They were not given full release, but were merely taken out of the internment camps and turned over to those in charge of housing the Japanese who had been removed from the protected area in British Columbia.

Mr. McDONALD (Pontiac): Mr. Speaker, reference has been made to-night to the imposition of the ban on Jehovah's Witnesses, and criticism was directed against the department for the action taken in that connection. I do not know very much about these people in other districts, but I know something about their activities in my district, where a small group of them is located. Prior to the imposition of the ban they distributed among people of other religions tracts containing most insulting references to the clergy and the religion of those people. More than that, before the imposition of the ban they had the nerve and audacity—and I know this definitely—to say to certain young men subject to call, "If you

join Jehovah's Witnesses you will be clear of the call under the mobilization act". The imposition of the ban put an end to that.

Actually there is to-day in my district a young man belonging to that order—or that church, or religion, or whatever it is—who failed to comply with the act. He has been summoned before a court and made to pay a fine. For some reason or another he is still at liberty. The parents of the other young men in that district, who know what has been going on, and whose sons are overseas or are in the army in Canada, come to me and say, "How is it that this man can get off, presumably because he is a Witness of Jehovah?"

Mr. JOHNSTON (Bow River): On a point of order, just a moment ago, Mr. Chairman, you said that I was not permitted to discuss anything about mobilization; however, the hon. member for Pontiac is going right ahead.

Mr. ROSS (Souris): You are not on the right side of the house.

Mr. McDONALD (Pontiac): I am not talking about the mobilization act. I am discussing what has taken place under the act, where action has been taken by the Royal Canadian Mounted Police. Since this item deals with the mounted police—

Mr. ROSS (Souris): No, it does not.

The CHAIRMAN: The Minister of Justice pointed out that mobilization did not come under his department. There can be no doubt, however, that Jehovah's Witnesses have been the subject of discussion for some time; we cannot get away from that. I think the hon. member for Pontiac should be allowed to discuss that sect, if he wishes.

Mr. JOHNSTON (Bow River): He just happens to be on the other side, I imagine.

The CHAIRMAN: That is a reflection upon the Chair, and I would ask the hon. member for Bow River to withdraw it. I do not believe I have been unfair in my statement, because Jehovah's Witnesses have been the subject of discussion both this afternoon and this evening. Surely the hon. member for Pontiac should have the same opportunity to discuss the subject. At the same time I must say that any discussion of the mobilization act would be out of order.

Mr. JOHNSTON (Bow River): I was not reflecting upon the Chair. I was addressing my comment to the hon. member.

Mr. McDONALD (Pontiac): Action was taken under the defence of Canada regulations. The boy was arrested, and made to pay a fine. For some reason or another he was liberated, and is still at liberty. I want to know why he is at liberty.

Mr. HANSELL: Ask the mobilization board.

Mr. QUELCH: Will the minister reply to the questions asked by the hon. members for Cartier and Rosetown-Biggar in connection with the release of Lorimer? The charge was made that many persons in Canada have the feeling that the minister's department is more sympathetic toward people of fascist tendencies than toward those following the democratic way of life. I think the minister owes it to the committee to reply to that question.

Mr. ST. LAURENT: I would ask the hon. member, as well as the hon. member for Rosetown-Biggar, to look at the statement I made this afternoon. It is unfortunate that they were not in the chamber at that time and that the matter has been raised again.

Mr. COLDWELL: I shall be very glad to read what the minister said. After I sat down I found that I had been out of the chamber when the reply was given; I was not aware of that when I spoke.

Mr. GILLIS: I was present this afternoon when the minister made his reply and as far as I am concerned it leaves a lot of doubt in my mind. The united nations are beginning to enter a decisive phase of the war and the international picture is somewhat beclouded and complicated from the political point of view. I listened to the minister very carefully and his reply leaves much to be desired. In her statement this afternoon with respect to the release of this man Schneider, the hon. member for North Battleford in effect accused the government of jeopardizing the safety of the state because of political expediency. That was my understanding of her statement, and the minister's reply did not clarify it.

In connection with Lorimer and Farr, the records of these two men are well known to practically every one in Canada who has paid any attention to national affairs. They were recognized as nationally-known fascists. Early in the war they were tried, convicted and interned as enemies of the state. I am calling a spade a spade; that was my conception of it. During their internment they softened up a little, and because of that the committees which retried their cases two or three times accepted their word that they were not going to be bad any more. One of them had received a licking from his friends while he was incarcerated and the other gave his word he would be good.

How much can you depend upon the word of a nazi or fascist? Mussolini and Hitler

have demonstrated to the world that their signed or pledged word does not mean a thing except to gain time in order to serve their own ends. This indicates to me that at this stage of the war we are not thinking realistically. The release of Sir Oswald Mosley in England, and the release of nationally and internationally known fascists in Canada at a time like this should not have occurred.

I am not the kind of person who thinks anyone who does not agree with me should be interned or put in gaol. We have stood for the principle of a fair trial right through the whole process of discussing the defence of Canada regulations. However, I contend that once a man has had a fair trial, is convicted and sentenced, that sentence should be carried out to its logical conclusion. This is based upon the examination being properly made in the first place. This must be done if we are to maintain respect for the laws of the country. If earlier in the war we convicted the men we are discussing to-night of being enemies of the state, they are still enemies of the state. This country is now in a most dangerous stage of the war.

If there ever were a time during the fighting of this war when active nazis or fascists could be effective on the outside, it is the present time when the united nations are taking the offensive. If we are to take this attitude now, what attitude are we to take with international gangsters like Hitler and his satellites? If to-morrow his own people turn against him; if the Russians seem to be getting a little too close and Hitler decides that discretion is the better part of valour, that he should weep on someone's shoulder and throw up his hands, would there be any justification for the united nations withdrawing the slogan of unconditional surrender with which they have been taking the people forward? If we are to deal with the convicted enemies of this country in the way we have been, this trend will develop internationally and we shall lose the objectives for which we are fighting this war just as we lost those for which we fought in the last war.

I heard the minister's statement and I realize that he was depending upon the committees, but in my opinion the release of these three men is sowing discord in the minds of a great many people across this country who are really fighting this war. They are fighting for unconditional surrender and the complete elimination of the philosophy for which our enemies stand. I do not believe that a change of mind can take place overnight. Long before I ever expected to come into this house these people were known to me; I knew their records, their histories and their activities. I was quite satisfied when they were put away, and I believed that the expiration of their sentences would not take place until the war was over and peace was concluded.

They can then be tried without any war hysteria and the proper punishment meted out. We should not get soft at this time. We should not consider negotiating or dealing with people who are known to be enemies of the state until the main issue on the other side is definitely and finally settled.

Item agreed to.

Penitentiaries' branch—Purchase of materials in connection with manufacturers for war departments (recoverable), $200,000.

Mr. DIEFENBAKER: Will the minister explain the nature of this item?

Mr. ST. LAURENT: This is to provide working capital for the penitentiaries. We are producing a number of articles for other departments of government, particularly the armed services. The amounts paid for these articles go back into the consolidated revenue fund. Up to the war years it was possible to carry on this work by using temporarily in the penitentiaries branch funds voted for other purposes, but the value of the work turned out by the prisoners in the penitentiaries has been increased to such an extent that it is necessary to provide greater quantities of raw materials. As I say, this is to provide working capital to be used in the acquisition of raw materials to be worked in the penitentiaries.

Mr. STIRLING: It is a new departure this year?

Mr. ST. LAURENT: We have been doing this for some time.

Mr. STIRLING: But this provision?

Mr. ST. LAURENT: This provision was put in so that there might be something special for which this working capital could be taken.

Mr. STIRLING: It is the first time this year?

Mr. ST. LAURENT: Yes, the first time this year.

Mr. COLDWELL: I was going to ask the minister what work is undertaken in the penitentiaries for the armed forces. I am very glad to know that some varied forms of work are being done in the penitentiaries, and I seize the opportunity of saying to the minister that I hope that when the regular estimate for the penitentiaries is up he will say something about penitentiary reform and the possibilities of carrying out the recommendations of the Archambault commission. I should be glad if he would be prepared to do that when the time comes.

Mr. ST. LAURENT: I shall make a note of the hon. member's remark and try to have information for him as to what has been done and is being done in that respect.

Mr. COLDWELL: Thank you.

Item agreed to.

Royal Canadian Mounted Police—
Salaries, $643,000.

Mr. ROSS (Souris): There is quite an increase this year in this first item. However, before asking a question on that may I offer a few words in recognition of the wonderful service which this force has rendered and is rendering to-day to this country. Great credit is due to the Royal Canadian Mounted Police for the splendid work done by the members of the force during these years of war. When the war began there was no force which received such small recognition in the matter of pay and otherwise as the Royal Canadian Mounted Police. They still are rather hampered. They have to serve many years before they are allowed to marry, and they forgo many privileges and freedoms in one way and another. They are highly trained and extremely efficient, and the money we vote to expend upon them on behalf of the taxpayers is one of the best investments to which taxes can be put. In the light of the discussion we have had this afternoon, let me say that if there is any body of men to whom we should be grateful because of the small amount of sabotage which has occurred during these war years, it is the Royal Canadian Mounted Police.

I should like the minister to give us some idea of the use to which this extra $100,000 for salaries will be put. Also I would repeat a question which I asked a year ago: in the case of a member of the force who has had meritorious service and a clear record for a period of, say fifteen or twenty years, what recognition does he receive? I think there should be some means of promotion or provision whereby he will receive promotion, or a corresponding financial benefit upon retirement. Is anything like this done or proposed to be done?

Mr. ST. LAURENT: I am glad to be able to assure the hon. member that we do attempt to give full recognition, because the retirement allowance under the superannuation of the Royal Canadian Mounted Police does not follow the ordinary rule of the civil service; it is based upon the pay and allowances being received at the time of retirement. That is one of the factors of calculation; the other is the period of service. The factor which is taken to be multiplied by the years of service is the pay and allowances at the moment of retirement; and the policy of the commissioner and his assistant commissioners to take care of meritorious service is to make promotions as expeditiously as the retirements in the upper level permit. Since the beginning of the war, because of the urgency of the situation and because the commissioner was authorized to take on 2,500 constable guards and 500 special constables, the releasing of the higher officers upon having attained what might otherwise be the age limits has had to be retarded. It has been necessary to keep in the service all those who were physically able to perform service, and one of the unfortunate incidents of that is that it has slowed up, to some extent, promotions right down through the force. The only hope we have been able to hold out to the men who have not obtained their promotions through the various ranks quite as rapidly as they would have expected to obtain them under normal conditions, is that when the war is over and we are able to dispense with the special men who have been taken on, quite a number of vacancies will occur, and the rapidity of the subsequent promotions will make up for the slowness during the war period.

Mr. ROSS (Souris): I should also like to know the reason for the increase of over $100,000 in this first item.

Mr. ST. LAURENT: This increase is required for unforeseen outlays in connection with the engagement of clerks, stenographers, typists and employed civilians. The commissioner, as he has to be, is always very prudent; in looking at the sheet which has been distributed the hon. member will see that the provisions in the estimate have always been quite ample; and although it has not been possible, because of the man-power situation, to find with respect, for instance, to pay and allowances, which are the big items here, all the additional constables or special constables authorized by the order in council, the commissioner still provides for salaries and allowances for the full establishment if he can obtain them. Of course, if the situation became urgent, we would obtain them. There have been authorized, for instance, 2,500 constable guards. We have something like 1,800. We could get the additional 700 if the need for them were sufficiently urgent. We would have plenty of use for them if we could use them in all the work which has to be done. But there is some work for which untrained men cannot be used; and the reason for this provision is that we shall have under this war appropriation

sufficient to pay the numbers that have been authorized, although we have not yet found it possible to take them all on.

This increase on the civilian side is because the commissioner has been taking on untrained civilians to do work which was being performed by men who were enrolled in the force. We have not a women's division, but we have been taking on civilians to do work which was being done under normal conditions by men who belonged to the regular establishment. The commissioner prefers to take them out of the kind of service that can be done by civilians rather than engage civilians for constable work.

Mr. MacNICOL: I feel it my duty to bring to the notice of the committee an example of the remarkable skill and ability of the Royal Canadian Mounted Police. Early last September I was away in a remote part of the Rocky mountains in far western Alberta and I came down the mountain to a place called Rocky Mountain House by train. The train arrived at ten o'clock. I was accompanied by a Mr. Grindly, a member of the Alberta government's engineers, who had been with me in the mountains. We had left our car at the garage on Main street of Rocky Mountain House. As I say, the train arrived at the station at ten o'clock, and after getting our car I expressed a wish to go to see Old Rocky Mountain House, three miles away. We drove over town and I asked a man on Main street whether he could direct us to Old Rocky Mountain House. Following his directions, we drove away and came to the Saskatchewan river. We had to ferry over the river. I asked the ferryman the direction to Old Rocky Mountain House and he said that after crossing the river I should turn left and proceed for a mile and a half. We did so. At the same time, I wanted to find the mouth of Clearwater river. I had passed it by on account of the trees. I had not seen it. When I came back I told the ferryman that I had not found the mouth of Clearwater river, and he said, "When you cross the river this time turn to the right on the top of the hill, and the first bridge you come to will be Clearwater river." I did so, and a few moments later, after retracing our steps, as we came down the road, a man driving a car put his hand out of the window beckoning to us to stop. When we came abreast of his car he said he was a mounted policeman and asked "Is there a Mr. MacNicol in your car?" I said, "Yes, there is. I am John R. MacNicol." He said, "There is an important message for you at the railway station." It happened to be a message informing me that a relative had died. He said that they had received instructions to find me wherever I might be. There was an example of most remarkable ability on the part of the police. How he found me I do not know. I had left the station at ten o'clock, and shortly after the telegram arrived and the mounted police started out to locate me. Within twenty-five minutes he had found me, I will not say in the wilds of Alberta, but in a remote area. I inquired his name, and I believe it was R. A. McMullen. I wish the minister would drop that police official a letter congratulating him upon his ability to find his man, so to speak. As I say, I do not know how he found me. I had not time to ask him, because I hurried to the station to get the wire, and I was speaking to Toronto at ten-fifty-five. They have a skill, intuition and ability that, in my opinion, cannot be surpassed by any police force in the world. They are able to find their man.

Mr. DIEFENBAKER: Tributes to the Royal Canadian Mounted Police are unnecessary. The service they render the country is their own reward.

There is one phase I would take up with the minister, namely, the question of developing the field of forensic medicine. During the past three years there has been developed in Regina a laboratory for the scientific investigation of crime and it has achieved a reputation all over North America. It was founded as a result of the influence of Commissioner Wood. It was placed under the control of the late Doctor Maurice Powers, whose work, I am sure, is known to you, Mr. Chairman, and to all those who appreciate the value of scientific knowledge in relation to crime and its detection.

Doctor Powers met an untimely end during the past summer while engaged in the service to which he was devoting his life. His work, as I have already stated, was known everywhere on this continent. He developed a laboratory that was unexcelled in this country, and I suggest to the minister that in order to increase and widen the influence of the mounted police encouragement should be given a number of young medical students or medical men to enter the field of forensic medicine and continue the work that was so ably carried on during the all too short lifetime of Doctor Powers.

A further matter which I think I should bring to the attention of the minister was mentioned by the hon. member for Souris (Mr. Ross), namely, the regulation that has been in effect for so many years forbidding the marriage of young men in the mounted police until they have served a period of eight years. I have heard numbers of these young men point out that they are devoting themselves to the service of their country, and

this regulation, while there may have been meritorious reasons for its existence in former years, is no longer necessary. There is no reason for its continuance beyond the initial three-year period. The removal of that regulation or, in any event, an alteration in it to make it applicable only during the first three years of service would result in the recruitment to the force of many young men who, after the war is over, will desire to continue in a semi-military force, but who feel that to operate under the detriment of inability to marry for a considerable period of years is something they cannot accept. I should like to ascertain from the minister his views on these two matters, both of which I advance with a desire to improve the efficiency of the force, high though it is to-day, in order to ensure that this force in years to come will maintain the high tradition it has achieved in the past, particularly since the beginning of the war, when men of the force, regardless of personal convenience, have made sacrifices which only history itself will be able to record.

Mr. ST. LAURENT: The matter which the hon. gentleman has discussed is one in which I felt very much as he does. I discussed it with the commissioner and I was given reasons which appeared to me to be very weighty. The first is that the Royal Canadian Mounted Police cannot afford to have its men incurring debts which they do not regularly pay. Their reputation is such that they must be regarded as good credit risks in the communities in which they live, and it is only after eight years of service that a man can attain the pay of a full constable. Up to the present time, though there has been made within recent months quite a substantial war-time increase in pay, the salaries that are being paid are not sufficient to enable a man to maintain a family until he has reached the time when he receives the constable's wage. That was one reason.

Another reason was that at the present time fifty-eight per cent of the regular personnel of the R.C.M.P. is made up of married men, and with the tight housing situation that has existed all over the country one of the difficulties of the commissioner has been to find a sufficient number of unmarried qualified constables to do work at places where no housing accommodation for families could be found. I hope that is a temporary situation in this country. I hope it will not always be so that the distribution of the Royal Canadian Mounted Police personnel will depend upon the possible housing conditions in the various localities. But during the war period that has been a serious consideration with which the commissioner has had to wrestle, the possibility of placing in barracks a sufficient number of sufficiently qualified men to maintain the standards of service that the Royal Canadian Mounted Police wish to give to the communities in which they are located. I hope that these are two objections that it will be possible to overcome some day. I hope that some day it will be possible to have the men of the Royal Canadian Mounted Police paid, even after only three years of service, a sufficient salary to enable them, like their fellows, to start early the establishment of families. I also hope that it will not be so very long before the acute housing situation can be taken care of and when there will be a sufficient number of the physical things required to make more homes in this country.

The hon. member raised a question with respect to the department which was so ably conducted by Doctor Powers. That is one which is giving us some concern. It has not been possible, notwithstanding applications placed with various medical schools, to find anyone at this time to take over the work that has been inaugurated, and the commissioner has been obliged to resort again to the services, and quite satisfactory services, but not of a permanent nature, of Madame Doctor McGill, the provincial pathologist.

As hon. members know, the distribution of medical practitioners is under the procurement board and the first call on the medical profession, and especially the first call on all those graduating from medical schools, is for the armed forces. It has not yet been possible to find any man who could continue the work started by Doctor Powers. It is the intention of the commissioner not only to try to continue that work but to have it developed, because it is appreciated that it will be of value not only to the reputation of the Royal Canadian Mounted Police, but to the Canadian public in the assistance made available for the administration of justice.

Mr. SLAGHT: I rise to compliment my hon. friends of the opposition and all hon. members of the committee upon what I regard as practically a unanimous view of the merits and deserts of this great force. I have been privileged to know something of their work, particularly in the first three years of the war, latterly, practically not at all. May I just make one or two observations. First, I would say that if the minister were to be indicted in connection with this item or with his administration of this force it would be because we are not sufficiently recognizing the magnificent service they are rendering, and because we are permitting them to do it still underpaid. I

do not know that I could persuade the treasury board that I was right—there we come again to the treasury board. But let me point out this: the qualifications that a young man must have when he enters this force are very, very high. Then the courses that he must follow make it necessary for him to become efficient in ballistics, in the study of chemistry, in horsemanship, in the driving of all types of motor vehicles and in a knowledge of criminal law. We do not hear very much of the work they do, but on both oceans they are charged with the duty of searching incoming and outgoing vessels to prevent the possibility of the planning of sabotage, and the record of the lack of any attempts at sabotage in this war is a great tribute to this force.

I think I am entitled to pay a personal tribute to Commissioner General Stuart Wood. He is a man of vast experience, an experience which began many years ago with part-time service in Scotland Yard, that great school of training, where the enemies of crime learn how to combat it. I have concluded my task when I say that I believe this committee can properly be unanimous in a tribute to the Royal Canadian Mounted Police, a force which has maintained law and order in our country and whose anti-sabotage activities during this war are such that no country in the world can excel.

Mr. GRAHAM: I am always delighted to see that each year as this particular estimate comes before the committee a certain number of members on all sides of the committee find it fitting and proper to say a few words in praise of this magnificent Canadian organization, the Royal Canadian Mounted Police. I am particularly pleased with the hon. member for Lake Centre who paid a tribute to the late Doctor Powers. I, too, had the privilege of working with Doctor Powers on a number of cases which happened to come within his particular phase of police activities. I formed the same opinion of Doctor Powers as apparently the hon. member for Lake Centre did. It was a great loss to a new and important branch of police work in Canada when Doctor Powers died. I was concerned when I heard the Minister of Justice say that it has been difficult to find a proper successor to a man whose stamp is placed upon that particular type of work which has been carried on by the Royal Canadian Mounted Police. I realize, as does the minister, that the first duty of medical students and medical men generally is to the war effort. However, in view of the importance of this work to the whole of Canada, an effort should be made to furnish the mounted police with the ablest member of the medical profession that can be found to carry on the work of Doctor Powers, for I believe that is absolutely essential if we are to build up a proper establishment.

As I listened to the debate in regard to internments and the other matters arising under the defence of Canada regulations, it struck me, in looking back over the more than four and a half years we have been at war, that this country owes a great debt to the Minister of Justice, whose integrity of purpose has won the respect and confidence of all hon. members and, I am sure, of the great majority of the people of this country. He has had at his right hand one of the finest police bodies in existence to-day, and they have followed the very wisest policy in that type of work. As it is in medicine, so it is in the world of crime; prevention is much better than cure. I have some personal knowledge of the splendid contribution made by the mounted police during this war period in the very field we were discussing to-day, the field of espionage and of subversive elements in our midst. When I consider the few examples that can be brought forward and discussed, which are but the exceptions to the very general rule of freedom in this country from acts of espionage and uncontrolled subversive elements, in my opinion when the story of this work is written it will be found that this police force has discharged its task in an amazingly efficient manner. Therefore I join with the hon. member for Parry Sound and others in urging the minister, his colleagues and the members of this house to recognize the importance of keeping the traditions of this force up to the highest possible standard. This nation will reap a rich reward in the prevention of crime if we can keep the character and morale of the mounted police at a high level. If we look back on the early days in western Canada and the duties then performed by the mounted police, it is easy to realize the allure that service in that force presented. There was the call of adventure to individuals of a very high type. Perhaps that allure has vanished with the more prosaic duties performed by the police in these days, and we must replace it by some other incentive which will maintain the morale of the men. In my opinion the proper incentive is some recognition by way of salary, social standing and anything else we can reasonably do to make service in the force so attractive that the finest young men of this country will make that service their career.

As I say, I merely wish to add my voice to the many that are raised annually in praise and appreciation of the splendid work this force is doing and has done in the past.

Mr. GRAYDON: I have no desire to enter into any kind of competition in this eulogy to the Royal Canadian Mounted Police, so that I shall condense what I think has been meant by everyone who has taken part in this discussion. Having in mind the magnificent job the force has done in this war-time period for such a large number of citizens with such a relatively small number of men; having in mind that they are not very well compensated for their work, I should like to say that in my opinion in the civilian field in this war we can sum it all up as far as the Royal Canadian Mounted Police are concerned by saying that never did so few do so much for so many for so little.

Mr. ST. LAURENT: In acknowledging the tributes that have been paid to the Royal Canadian Mounted Police, which all agree are so well deserved, may I ask for one small tribute to the treasury board, which does not receive many tributes. In the month of March I went to the treasury board with a recommendation which contained the following sentence: "It is estimated that if the above temporary recommendation is approved the total cost per annum will be approximately $1,242,368.75." The result was a minute of treasury board at once accepting the recommendation.

Mr. KNOWLES: I rise to join in the tributes that are being paid not to the treasury board but to the men of the Royal Canadian Mounted Police. I am sure the opinion is unanimous that the men of this force deserve the tributes that are paid them annually on the floor of this house. As the minister knows, and as hon. members know, these men have certain grievances, such as those which have been mentioned this evening. Some of us from time to time bring these and other matters to the attention of the minister or the commissioner of the force; and when we pay our tributes to the services performed by these men we do so in the realization that they give their services loyally and wholeheartedly, despite some of the grievances they hold quite justly. I hope that step by step some of these matters may be adjusted, and that when the war is over, full consideration may be given the claims of these men.

I should like to direct one matter to the attention of the minister and the committee. It suggests that at times the men of the Royal Canadian Mounted Police are called upon to undertake tasks which are much less heroic, shall I say, than some of the glamorous things they are called upon to do in the north country or the finding of a member of parliament out in the Rocky mountains. It seems to me that this particular task which seems to have fallen to the lot of a division of the mounted police is one which this force really ought not to be called upon to perform if it could be avoided. This document was sent to me in the mail; I confess that it was sent anonymously, but it appears to be quite official.

Mr. GRAYDON: If it is an official document you had better table it.

Mr. KNOWLES: I shall be quite prepared to do so if the leader of the opposition would like it and can find support from the other side of the chamber. It reads:

Canada
Sale by Tender

Tenders addressed to the undersigned will be received at his office at . . .

Then the address is given and a final date. I quote further:

. . . for the following property forfeited under the Excise Act, viz:—Two pairs ladies' rayon stockings, sizes nine and ten. Tenders must be submitted in sealed envelope marked "Tender". Terms, ten per cent deposit in cash, money order or certified cheque with tender. The highest or any tender not necessarily accepted. Cash on acceptance of tender.

It was posted over the name of the officer commanding a certain division of the force. I am sorry I was not equal to the task of reading this without revealing my sense of amusement, but it did strike me as a sample of the kind of task which is sometimes assigned to mounted police, and which does seem to be a waste of time. Certainly it is very expensive to go through all this rigmarole to sell two pairs of ladies' stockings. Can the minister tell us whether this kind of thing is done very often, or whether this is an exception?

Mr. ST. LAURENT: The commissioner of the Royal Canadian Mounted Police has had more experience with the force than I have, and he tells me he has never known of his force dealing in ladies' stockings.

Mr. KNOWLES: But there is the document.

Item agreed to.

Construction, $108,000.

Mr. JOHNSTON (Bow River): Why is there this substantial increase?

Mr. ST. LAURENT: This estimate is an extension of the policy which has been instituted, and is for the purpose of dealing with the acute shortage of housing throughout the country. I find that $90,000 is provided here for duplex buildings for married officers. It is

estimated that this will be required during the year to take care of the housing of these married officers in various parts of Canada.

Mr. JOHNSTON (Bow River): Can the minister say where these houses are?

Mr. ST. LAURENT: No; no definite location can at this time be given as to where it might be necessary to erect these residential buildings. The policy is to lease wherever possible to secure a house. During the dinner hour I approved a recommendation from the commissioner for a house which will be available next August, and which it has been possible to obtain at a rental of $65 a month. On Friday of last week there was a recommendation, in connection with another city, where a house was to become vacant in a few months, and where a lease would be available for the Royal Canadian Mounted Police. Wherever it is possible to secure quarters on lease, no construction will be done, because we also have to get priorities from those who control supplies, and we have to be able to convince them that it is absolutely necessary, and that we cannot get along without it.

Item agreed to.

Security service, $249,975.

Mr. KNOWLES: I notice that in paragraph (b) at the bottom of the sheet we have been given we find an explanation for the unexpended balance of last year. The reason given is as follows:

> The anticipated general organization of security service being found not necessary.

Perhaps the minister would explain why, in view of that statement, a vote more than twice as large as the amount expended last year should now be asked.

Mr. ST. LAURENT: A large project of security service had been recommended by United Kingdom security officers. Provision had been made for the organization of that service here. I must say that from the outset the commissioner was not very sympathetic to the idea of organizing a new service, and seemed to prefer to have as much of that security work done by his regular staff as might be possible. The man-power situation made it difficult to organize any large special service, and the amount expended in the last fiscal year was expended principally in the ports on the Atlantic coast.

The reason for estimating a possible expenditure of something more than twice the size of the amount expended last year is that there is always the possibility of having to duplicate on the Pacific coast the security services that have been in operation during the last year on the Atlantic coast.

As the hon. member will notice, these provisions are made in such a way that there will not be any undue delay as to such things as may have to be done in the course of the year. But the hon. member may be assured that none of this money which does not have to be spent will be spent under the direction of the commissioner. It is because of the possibility during the present fiscal year of having to duplicate on the Pacific coast the much smaller security body that has been set up on the Atlantic coast—much smaller than had been first recommended—that this amount is provided.

Mr. KNOWLES: I have one further question growing out of the fact that last year there was an unexpended balance in this item. Hon. members will notice there were similar unexpended balances in respect of other items on this sheet. At the bottom of the page we find this note:

> Minus sign under unexpended balance column represents overdrafts in allotments which are to be covered by transfers from balances available in other allotments.

If I understand the procedure correctly, the transferring of a credit from one allotment in order to cover a deficit in another would not be permitted as far as civil estimates are concerned. It must be permissible here, or I am sure the Minister of Justice would not allow it to be done. If that is the case, I just emphasize the fact that what we are dealing with in this committee is not a schedule of specific items but a total amount of money. In dealing with it in that way, we are called upon to give the departments of government considerable latitude for adjusting the different portions of that amount after parliament has passed the bill.

Mr. ST. LAURENT: The schedule I have placed before hon. members will not make it possible for the Department of Justice or the Royal Canadian Mounted Police to make these expenditures without obtaining specific allocations from the treasury board. There has to be a requisition to treasury board and an allocation by treasury board out of the war appropriation which, as the hon. member has said, is voted as a total amount.

Mr. KNOWLES: Do I understand that the treasury board would not grant to the Royal Canadian Mounted Police a total amount for the year greater than $6,557,871?

Mr. ST. LAURENT: I do not know whether or not that would be done, but up to the present it has not been necessary to make application to the treasury board for even as much as was included in the itemized statement to the house.

Item agreed to.

Progress reported.

On motion of Mr. Crerar the house adjourned at 10.55 p.m.

Tuesday, May 16, 1944

The house met at three o'clock.

INTERNMENTS

CAMILLIEN HOUDE—REFERENCE TO REMARKS OF MR. ST. LAURENT IN DEBATE ON MAY 15

Mr. LIGUORI LACOMBE (Laval - Two Mountains): Mr. Speaker, I rise to a question of privilege. I quote from the House of Commons debates of May 15, 1944, at page 2915, the following statement made by the Minister of Justice (Mr. St. Laurent):

> Under date of January 10 Mr. Houde wrote the deputy minister of justice that he did not want any further hearing, and a copy of that letter was tabled in this house. Subsequently an hon. member of this house came to see me and said that Mr. Houde, as was stated in this letter of which a copy was tabled, had expressed the view that he had been interned by order in council and that he was going to come out through the big door and there would have to be an order in council passed to let him out. I explained to the hon. member that he was quite mistaken; that Mr. Houde had been treated like any other Canadian or resident of Canada under the defence of Canada regulations; that an order had been made by the Minister of Justice, and if he wanted that order reconsidered—it had been reconsidered once—it could be reconsidered again.

The statement made by the Minister of Justice is right but incomplete. The minister will admit that when I discussed with him the detention of Mr. Houde I submitted to his consideration a document to the effect that Mr. Houde would sign an undertaking. Concluding this question of privilege, I would ask the Minister of Justice to treat Mr. Houde as Tim Buck and other internees have been treated—

Mr. SPEAKER: There is no question of privilege.

PUBLIC SERVICE

EMPLOYER-EMPLOYEE COUNCIL—PERSONNEL OF INITIAL COUNCIL OF SIXTEEN

Hon. J. L. ILSLEY (Minister of Finance): Mr. Speaker, I wish to make a statement regarding the national joint council of the public service of Canada. The house will recall that on February 24 I announced that the treasury board had decided to establish such a council in order to provide machinery for regular and systematic consultation and discussion between the employer and employee sides of the public service in regard to grievances and conditions of employment, and thereby to promote increased efficiency and better morale in the public service.

It has been found that it takes longer to get such organizations established than originally contemplated. However, it is only natural that in an organization as large and complicated as the government service there should be many differences of opinion as to the composition of such a council and the representation to be given to various groups or organizations in the civil service.

We originally intended to provide for a council of twelve, equally representative of the official or employer side and the staff or employee side of the public service, and therefore announced that the Civil Service Federation, the Civil Service Association, the Amalgamated Civil Servants, the Professional Institute and the Dominion Customs and Excise Officers' Association would each be asked to name one representative, and that the three organizations amongst the postal employees would be asked to name one to represent all postal employees. Following my announcement of February 24, we received representations from the three organizations in the postal service protesting that no single person chosen from one of them could fairly represent the three organizations, and insisting on each organization being allowed to name its own representative. While this would mean a council somewhat unwieldy in size, nevertheless the treasury board decided that as the main purpose was to promote good will and better understanding, it should accede to the request. The board was immediately criticized for this decision, primarily on the general ground that it would give too much weight to what were strictly departmental organizations within the Post Office Department. At the same time we received requests for representation from several other civil service organizations, some recently

formed, which, if they were all accepted, would lead to the establishment of a council of no less than twenty-four members.

The board has therefore come to the conclusion that these differences and difficulties as to representation can only be adjusted amicably as a result of full and frank discussion of the whole matter between representatives of the various organizations and the official side of the civil service. In this connection I would emphasize that the first main task of the council will be to consider carefully the tentative or preliminary constitution which is being laid down by the order in council and to recommend a permanent constitution to govern the activities of the council.

It will also have to consider the advisability of setting up departmental joint councils and it is believed that when members of the council have had a chance of threshing out the part which departmental councils should play and what their relation should be to the national joint council, it will be far easier to reach agreement as to the organizations which should be represented on the national council and the weight of their representation.

The treasury board is hopeful that in this way a plan can be worked out which will assure a workable constitution with fair and appropriate representation to all existing organizations, and to all elements of the public service in the national council and the departmental councils that may be recommended.

At the conclusion of my remarks I shall table the order in council which has been passed. It will provide initially for a council of sixteen members. The eight members from the staff or employee side who have been nominated by their respective organizations or associations are the following:

Mr. V. C. Phelan, Civil Service Federation.

Mr. F. Knowles, Amalgamated Civil Servants of Canada.

Mr. N. T. Allan, The Professional Institute of the Civil Service of Canada.

Mr. T. R. Montgomery, Civil Service Association of Ottawa.

Mr. John J. Reaves, Federated Association of Letter Carriers.

Mr. Fred Whitehouse, Association of Canadian Postal Employees.

Mr. W. Dennehy, Railway Mail Clerks Federation.

Mr. J. H. Wood, Customs and Excise Officers' Association.

The representatives of the official side will be:

Dr. W. A. Mackintosh, Department of Finance, who will act as chairman, with the assistance of a vice-chairman elected by the representatives of the staff side.

[Mr. Ilsley.]

Mr. W. C. Ronson, Assistant Deputy Minister of Finance.

Mr. C. H. Bland, Chairman of the Civil Service Commission.

Dr. C. A. Camsell, Deputy Minister of Mines and Resources.

Mr. Edmond Cloutier, King's Printer.

Mr. J. E. St. Laurent, National Harbours Board.

Mr. P. T. Coolican, Assistant Deputy Postmaster General.

Mr. A. H. Brown, Department of Labour.

PRIME MINISTERS' CONFERENCE

PROPOSED VISIT TO CANADA OF PRIME MINISTERS JOHN CURTIN OF AUSTRALIA AND PETER FRASER OF NEW ZEALAND

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): The Prime Minister, prior to his departure for the meeting of the commonwealth prime ministers, intimated to the house that an invitation had been extended to Prime Minister John Curtin of Australia and Prime Minister Peter Fraser of New Zealand to visit Canada at the termination of the London meeting. It is apparent that our Prime Minister will be returning soon to Canada. I would appreciate it if the Acting Prime Minister will inform the house whether or not the Prime Ministers of Australia and New Zealand will be accompanying our Prime Minister on his return.

Hon. J. L. RALSTON (Acting Prime Minister): The Prime Minister did extend an invitation to Prime Minister Curtin of Australia and Prime Minister Fraser of New Zealand, and I am very glad indeed to be able to tell the house that I understand the invitation has been accepted in both cases. At the moment I am unable to say whether the Prime Ministers of Australia and New Zealand will be accompanying the Prime Minister of this country on his return. I am also not in a position to say on what date they may be here.

BUSINESS OF THE HOUSE

POSSIBILITY OF EXPEDITING THE INTRODUCTION OF PROPOSED LEGISLATION

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): I should like to ask the government if they will expedite as much as possible the bringing down of the remainder of the legislation which has been mentioned from time to time during the session and in the speech from the throne. I bring this to the attention of the government in order that we may be

able to make the best use of the time at our disposal in dealing with the activities of the session.

I find that apart altogether from the resolutions and second readings of certain bills that appear on the order paper, the following legislation is still to be brought down. When I read the list it will give hon. members some idea of what is ahead of us and how we must utilize our time if we are to make the most of it. The list is as follows: Civil service superannuation bill, amendment to Naval Services Act, Quebec Savings bank bill, export credit bill, national housing bill, the family allowances bill, floor prices for agriculture bill, war surplus assets bill, amendment to the Dominion Elections Act, Veterans' Gratuities bill, amendment to Veterans' Land Act, amendments to the criminal code, amendment to the Chinese Immigration Act, contributory old age pensions bill, health insurance bill; and in addition to these any legislation that may be based on reports of committees. Then there are the budget resolutions and whatever legislation may follow from them. In so far as the war appropriation bill is concerned the large departments of Agriculture, External Affairs, Finance, Pensions and National Health and Trade and Commerce have yet to be disposed of, plus thirteen separate items in other departments. If we continue to sit in future as we have done up to now, we have forty-three sitting days to August 1. We have had fifty-nine sitting days so far. I bring this to the attention of the house and of the government to request the government to expedite the bringing down of the legislation I have mentioned and thereby save time.

I should like to mention the cancellation of the Wednesday sittings. I do not want to bring up this matter *ad nauseam,* but I do feel keenly about it. I felt that the change should never have been made. But at this late date the government might give some consideration to the use of not only the Wednesday afternoons but Wednesday evenings, if they can possibly do it. This matter has been discussed and our party is substantially in agreement upon it. I may say to the government that as a party we are prepared to cooperate in these matters, and we hope that the government will do what it can—we shall do what we can—to bring the session into such order that the least possible time will be consumed in the transaction of the country's business. I realize it is not possible to cut off sessions at a certain time. This house owes a duty and an obligation to the country to see that legislation is dealt with properly. Subject to that reservation we as a party are anxious to see the session concluded as speedily as possible. I make this suggestion in the hope that the tempo of the session may be increased and that the business of the country shall be carried on with perhaps even more dispatch than has been the case up to now.

Hon. J. L. RALSTON (Acting Prime Minister): I am obliged to my hon. friend for having brought up this matter. I have been sitting here during the last two or three weeks as the discussions have proceeded on the war appropriation resolution. I have once or twice made suggestions to the effect that I thought we might get on faster with better organization of the house. I felt that the remarks which I had made had fallen on barren ground and I thought I was putting the government in the position of endeavouring to force people to go faster than they wanted to go. I feel, however, that perhaps the course the government has pursued in just allowing the discussions to take their course has had some results. I take my hon. friend's words at their face value, that he is desirous of expediting the business of the house, as I am sure all hon. members are; but I think the example we have seen, in the length of time that has been taken on the war appropriation measure, is perhaps the best way to bring us to a realization that this house is a long way from having completed its business, and that some measures must be taken which, to use my hon. friend's expression, will speed up the tempo of the house.

I am not criticizing anyone, but it seems to me that is exactly what is needed here. As a matter of fact to-morrow, which is Wednesday, the day to which my hon. friend referred, I was going to ask the leader of the opposition and the leaders of the other two groups to a conference to see if it would not be possible to organize the discussion of these war appropriation items so that we might give some definite time to them and then call it a day when that time has expired. I know how difficult it is to do this. Hon. members want to ask questions which may occur to them at the moment when they happen to be in the house, and if they are away they want to be able to ask those questions after they come back, but that is not the way to get on with our business. So that I am going to ask my hon. friends to consider between now and to-morrow, if they will, the possibility of deciding on a certain number of hours, or a day if necessary, to deal with a certain subject and let us get it over and done with. It seems to me that is the only way we can speed up the tempo of the house.

With regard to the matter of legislation, it has seemed hardly worth while to place on the order paper a great deal of legislation which

may not be reached for one, two or three months in view of the speed we are making at the present time. The government has that matter fully in mind and legislation will be brought down from time to time; but with the situation as we have it, that is to say with the war appropriation measure still to be passed, a measure which I hope and believe we all regard as the most important of the session; with the farm improvement measure, which my hon. friend said he would like very much to have go to the banking and commerce committee in order that it might be considered along with the Bank Act; with some other legislation that has to come in and with the budget, which will be taken up in the reasonably near future, it seemed to me we had a pretty full order paper before us as it is. However, that legislation is in course of preparation; as a matter of fact most of it is prepared and can be brought down very shortly.

With regard to the matter of Wednesday, that has been discussed and I am not going to add anything to what the Prime Minister (Mr. Mackenzie King) said in regard to it. I wish to close, however, by expressing appreciation of my hon. friend's having brought up the matter in a very graphic way, perhaps better than I could have done myself, because it comes from those who really have it in their own hands to decide how much time shall be taken on these matters. I thank him for having put on record again the programme we have ahead of us before this session would conclude in the normal course.

Mr. GRAYDON: The minister said the entire matter was in our hands, but that is not quite true. I made a check in that regard and found that to be not accurate; it is not entirely in our hands, in regard to the time that is consumed in this chamber.

Mr. RALSTON: Shall I say it is not in the hands of the government?

Mr. HANSON (York-Sunbury): If I may make one or two observations with respect to the minister's statement, I think we ought to get the war appropriation bill through. Then I believe the government ought to bring down its legislation, even though it may not be dealt with immediately, in order that we may be given an opportunity to study it. I find it very difficult to read these bills and discuss them on second reading without having adequate time for study.

[Mr. Ralston.]

CLAIRE WALLACE

DECISION OF NATIONAL WAR LABOUR BOARD ON QUESTION OF SALARY

On the orders of the day :

Mr. JEAN-FRANÇOIS POULIOT (Temiscouata): Mr. Speaker, the finest gentleman to have occupied the high office of leader of the opposition since I have been in politics—I refer to the hon. member for Peel (Mr. Graydon)—paid very high tribute the other day to the member for Temiscouata when he said, at page 2854 of *Hansard:*

I very seldom find my hon. friend offering anything inaccurate. . . .

I thank him for that, and he went on to say that the salary of Claire Wallace had not been increased from $170 to $200 per week by Judge McTague. I agree with him; but on the other hand Judge McTague decided not to keep her salary at a lower figure than $200 per week.

Mr. GRAYDON: He did not touch it at all; that is the answer.

FISHERIES

TIE-UP OF HALIBUT FISHING FLEETS ON PACIFIC COAST

On the orders of the day:

Mr. THOMAS REID (New Westminster): In view of the still serious condition on the Pacific coast, resulting from the fact that the halibut fleet has been tied up for at least a month, and not because of any trouble on the Canadian side or with the Canadian authorities or canners, I should like to ask the Minister of Fisheries if he has anything to add to the answer given on Thursday last by the Acting Minister of Fisheries, the Minister of Transport (Mr. Michaud).

Hon. ERNEST BERTRAND (Minister of Fisheries): The halibut fishermen operate under regulations established by international treaty. Our fishermen are not fishing, out of sympathy with the United States fishermen who are not satisfied with the prices established by the office of price administration. We are making recommendations to the Department of External Affairs, to be passed on to the United States authorities. We cannot divulge the nature of those recommendations before they are made known to the authorities of the United States, but in the meantime we hope that a settlement may be arrived at within a few days and that all fishermen will return to their trade.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, may I make a comment on the question asked by the hon. member for New

Westminster (Mr. Reid), and the reply thereto, in connection with the halibut fleet. I hold in my hand the Vancouver *Province* of four days ago, which contains this headline, "Halibut Fleet Tie-up Ends", and says, in part:

A plan to end a six-weeks tie-up . . . has been agreed upon.

Is the minister not aware of that statement?

Mr. BERTRAND (Laurier): I did not catch the last sentence; what was it?

Mr. NEILL: I hold in my hand the Vancouver *Daily Province* of May 12, which was four days ago, and which states:

Halibut fleet tie-up ends. A plan to end a six-weeks tie-up of 600 Pacific coast halibut fishing vessels has been agreed upon—

Then it goes on to say who are concerned in the agreement.

Mr. RALSTON: What was the question?

Mr. NEILL: It was settled four days ago.

Mr. BERTRAND (Laurier): I do not know if a plan has been arrived at. All I know is that we have not received any word about it. Our own fishermen were simply waiting for the United States fishermen to be satisfied to fish. If they are not fishing to-day I suppose they have not yet arrived at a plan. We have made recommendations to the United States authorities.

ROYAL CANADIAN AIR FORCE

PENNFIELD AIRPORT

On the orders of the day:

Hon. R. B. HANSON (York-Sunbury): I desire to direct a question to the parliamentary assistant to the Minister of National Defence for Air. He will recall that some weeks ago, during a discussion on the labour estimates or the national selective service estimates, I referred to the question of the future of Pennfield airport. I have not verified it, but my recollection is that he undertook that an adequate statement would be made shortly. I do not recall that this statement has been made.

Hon. C. G. POWER (Minister of National Defence for Air): I made a statement in the house.

Mr. HANSON (York-Sunbury): That may have been when I was not present. Could the minister give me the date?

Mr. POWER: A full statement was made in the house in regard to Pennfield Ridge.

INQUIRY AS TO DISAPPEARANCE OF THREE TRAINING PLANES

On the orders of the day:

Mr. A. H. BENCE (Saskatoon City): I understand that three R.C.A.F. planes have been missing since Sunday, when they took off on a flight from Charlottetown. Has the minister any information with respect to those planes, and what is being done in order to endeavour to locate them?

Hon. C. G. POWER (Minister of National Defence for Air): I have not very much information other than that which has appeared already in the press. It is true that three training planes out of twenty-four which were on a training flight have been missing since Sunday last. Intensive searches are being made all over the gulf of St. Lawrence and the neighbouring waters, so far without success. I am in constant touch with the situation, getting reports from eastern air command, which is in charge of the search. The inspector general of accidents, Group Captain Wilkins, is on the scene together with members of his staff, aiding in the search and making full inquiry into all the circumstances.

FRESH FRUIT

PRICE CEILING ON BRITISH COLUMBIA STRAWBERRIES AND RASPBERRIES

On the orders of the day:

Mr. G. A. CRUICKSHANK (Fraser Valley): Mr. Speaker, I should like to ask a question of the Minister of Finance. I sent a copy to the Minister of Agriculture thinking that it came under his branch. I consider this to be a matter of urgent importance to some 2,000 berry growers in the Fraser Valley and the lower mainland. On the 24th of this month we begin shipping strawberries, and it is of urgent importance that we know what the price is to be. I want to make it clear that we are not quarrelling with what the price may be at the moment, but we do want to know at what it will be set because, among other things, we have to hire pickers, and we must prepare ahead of time. Until such time as we know what the price will be we are in an impossible position. I took the matter up with the war-time prices and trade board, but could get nothing definite. Therefore I am asking the minister to say what the price will be on fresh strawberries, raspberries and other small fruits in British Columbia.

Hon. J. L. ILSLEY (Minister of Finance): Is the hon. member referring to the ceiling price?

Mr. CRUICKSHANK: Yes.

Mr. ILSLEY: I have not the information, but I will bring the matter to the attention of the board. I will also bring to their attention the hon. member's urgent representations.

ALASKA HIGHWAY

OPENING BY UNITED STATES MILITARY AUTHORITIES OF OFFICE IN VANCOUVER

On the orders of the day:

Mr. GEORGE BLACK (Yukon): Mr. Speaker, I directed on Friday last three questions to the Minister of Labour (Mr. Mitchell). In his absence the Secretary of State (Mr. McLarty) was kind enough to say that if the questions were allowed to stand until Monday as a notice he would see that they were answered. Yesterday the parliamentary assistant to the Minister of Labour gave what he said were answers to those questions.

It is usual when questions are answered to have a copy of the answers sent to the member who asked the questions. No copy was sent to me. I wrote a note to the parliamentary assistant asking for a copy, and he said he would send it, but none was forthcoming. So that until the answers appeared in *Hansard* I had no way of analysing them, as to whether they were answers to my questions. I find that the questions I asked were not answered, that the answers given were evasive, and in fact were not in reply to the three questions I asked. In order that my authority for asking those questions may not be in doubt may I say that I was quoting from a statement made by William McKinstry, regional superintendent of national selective service at Vancouver, as reported in the Vancouver *Sun* of May 10, in which he said that American authorities were endeavouring to hire in Vancouver through selective service twelve hundred men for maintenance gangs on the Alaska highway; and that they had an order for labour from the northland on file at the national selective office in Vancouver for 300 men to work on the Canol pipeline. In reply to that the parliamentary assistant said, making no reference to the 300 men required for the pipeline:

> The Standard Oil Company placed an order for 75 men for the Canol Oil Refinery Project, which was later reduced to eight men.

That is not an answer to the question at all, and I have to ask that the question be answered.

Mr. RALSTON: Mr. Speaker, I rise to a point of order. I have been sitting here, wondering whether or not a former Speaker of the house was entitled to less or to more latitude than ordinary members of the house. I have rather come to the conclusion that he is entitled to less latitude than perhaps those of us who may not know the rules as well. I think my hon. friend knows he is quite out of order in rising as he does and making comment on an answer to questions he has asked.

Mr. HANSON (York-Sunbury): He can rise to a question of privilege.

Mr. RALSTON: This is not privilege. He is entitled to raise the question, and make any comment he may desire—but at the proper time, and not when the orders of the day are called.

Mr. HANSON (York-Sunbury): But he can raise a question of privilege.

Mr. RALSTON: It is not a question of privilege.

Mr. BLACK (Yukon): I do not appreciate being lectured by the leader of the house, but I must say the questions were not answered by the parliamentary assistant to the Minister of Labour.

Mr. RALSTON: I have taken a point of order.

Mr. BLACK (Yukon): Had I had a copy of the answers—

Some hon. MEMBERS: Order.

Mr. BLACK (Yukon): I am speaking to the question of privilege.

Mr. RALSTON: I believe I am responsible to some extent for observance of the rules of order, and I do submit that on a point of order my hon. friend is not entitled at this time to comment upon the insufficiency of answers that have been made. If they are insufficient he may say so at the proper time. The test as to whether they are sufficient or not is another matter. If my hon. friend wishes to ask other questions, he may ask them; but he is not entitled, when the orders of the day are called, to comment upon answers which have already been given.

Mr. HANSON (York-Sunbury): He can do it on a question of privilege.

Mr. RALSTON: But it is not a question of privilege.

Mr. PAUL MARTIN (Parliamentary Assistant to the Minister of Labour): Mr. Speaker, when the hon. member asked me to send him a copy of the answers I sent one, and I cannot understand why he did not receive it. I wish to assure him that there

was no attempt to be evasive, and I shall give it to the hon. member immediately. If the questions are not answered in the manner he would wish, every endeavour to satisfy the hon. member will be made.

Mr. BLACK (Yukon): The questions were not answered.

Mr. POULIOT: Speaking to the point of order—

An hon. MEMBER: There is no point of order.

Mr. POULIOT: According to the standing order, when questions are called they shall not be commented upon by either party. They shall be answered, or allowed to stand. Then they remain on the order paper. This is a Tuesday, when questions are not called, and if there is a time when members may air their grievances about delay in answering questions, it is right now. I stand wholeheartedly with the hon. member for Yukon (Mr. Black), who knows the rules better than any member—except you, Mr. Speaker.

Mr. SPEAKER: I do not think there is any necessity for my deciding in the matter. The hon. member has made his complaint with regard to the inadequacy of the reply he received. I understand the parliamentary assistant has taken that as a notice, and that he will reply.

WINNIPEG HYDRO-ELECTRIC

QUESTION OF PERMIT FOR EXTENSION OF SLAVE FALLS PLANT

On the orders of the day:

Mr. S. H. KNOWLES (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Minister of Munitions and Supply, notice of which I sent him earlier to-day. In view of the information contained in sessional paper No. 302, tabled yesterday by the Minister of Munitions and Supply, to the effect that there is a certain amount of unemployment among carpenters and steel workers in Manitoba, and in view of the other information contained in the application of the Winnipeg hydro-electric system for a permit to commence preliminary work on the extension of its Slave Falls plant, will the minister make a statement as to the possibility of granting this permit?

Hon. C. D. HOWE (Minister of Munitions and Supply): Mr. Speaker, I am sorry I received no such notice—although I dare say it was sent to my office. I have not been to the office. I simply tabled the correspondence I received. There was no statement of mine to the effect that carpenters were idle in the Winnipeg area. I can assure my hon. friend my information is that the most acute labour situation in Canada—or at least one of the most acute—is in the Winnipeg area. We are very short of workers, especially in our very important war plants in that area. Whether the application he refers to can be granted or not is now being considered by construction control. I shall be glad to answer the question when a decision has been reached.

CANADIAN FORCES

VERNON, BRITISH COLUMBIA, MILITARY CAMP

On the orders of the day:

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, before the order is called, I have an observation to make with reference to a resolution passed Friday night by the city council of Quebec about the way in which men have been dealt with at the military camp at Vernon, British Columbia. What I desire to speak about is a most important matter.

Mr. SPEAKER: Is the hon. member rising to a question of privilege?

Mr. POULIOT: No, Mr. Speaker, I am rising to speak before the motion is put. I am going to speak about a grievance that affects many people.

Mr. SPEAKER: The orders of the day have not yet been called.

Mr. POULIOT: The motion was just being called.

Mr. SPEAKER: The orders of the day have not yet been called.

WAR APPROPRIATION BILL

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

The house resumed from Monday, May 15, consideration in committee of a resolution to grant to His Majesty certain sums of money for the carrying out of measures consequent upon the existence of a state of war—Mr. Ilsley—Mr. Bradette in the chair.

DEPARTMENT OF PUBLIC WORKS

Chief architect's branch—repairs, alterations, operation and maintenance of buildings occupied for war purposes, $2,300,000.

Mr. COLDWELL: Before the first item is put to the committee, I am going to exercise a right which I believe I have. I hesitated to bring the matter up on a question of privilege because it has to do with a matter referred to in this debate, although it does not come under the Department of Public Works. On Friday, May 12—page 2865 of *Hansard*—the hon. member for New Westminster made the following statement with reference to the C.C.F.:

> They went to the newspapers in the Fraser Valley and told them that in their party they had so many subscribers to these different papers, and they said, "If you do not give us an extremely good break we will withdraw all these subscriptions of our adherents."
>
> Mr. Graydon: That is pretty nearly blackmail.
>
> Mr. Reid: It was serious enough. In Vancouver, the *Sun*, the *Province* and the *News-Herald* were informed that if they were not kindly—not kindly from my point of view but entirely from their point of view—these subscriptions would be withdrawn from those papers.

To-day I received from Vancouver a copy of an article which appeared in the *Province* of May 13, which states:

> In the House of Commons last night Tom Reid, member for New Westminster, named the Vancouver *Daily Province* as a newspaper that had been subject to intimidation by the C.C.F.
>
> The experience of this newspaper provides no ground whatever for Mr. Reid's statements, reported in another column. It can be said definitely and positively that there is no ground whatever for his allegations. Neither directly nor indirectly has the C.C.F. approached the Vancouver *Daily Province* with threat or suggestion that it would be penalized if it failed to give "kindly" treatment to C.C.F. party interests.
>
> Mr. Reid says he knows of his own knowledge that the statements he made in the house are correct. In all fairness to the interests he has maligned, he should produce the proofs.

That is signed by the Vancouver *Daily Province*. I should like to say that the only suggestion that there should be any interference with the press was made by the hon. member's former leader, Mr. Pattullo. In reply to that suggestion, Mr. Winch, the leader of the opposition, said that he opposed such a bill, which was seconded by Mr. Uphill. He said:

> I oppose licence, but I uphold the freedom of the press.

The C.C.F. whip in the legislature is reported to have said that he was prepared to "take it on the chin" as well as "dish it out." You find that even the most scurrilous editorials simply react to the interest of those who are maligned. I though that in view of what was said on Friday I should place this on the record.

[Mr. Speaker.]

Mr. REID: Mr. Chairman, I must have a chance to reply, and I ask the indulgence of the committee. I am not going to let the leader of the C.C.F. or the leader of any other party make any comment about me without an opportunity of replying.

The CHAIRMAN: I think under the circumstances the hon. member for New Westminster should be able to answer. Perhaps I was remiss in my duty in allowing the hon. member for Rosetown-Biggar to make the statement he did, but I feel that the hon. member should be permitted to make an answer.

Mr. REID: The article just read by the leader of the C.C.F. shows what is going on in this country with regard to the recording of the proceedings of this house. I remember distinctly what was said, and I think every hon. member who was present on that occasion will also remember. My memory is fairly accurate on the matter. I remember the interjection made by the hon. member for Rosetown-Biggar when I made the accusation against the C.C.F. in connection with newspapers of the Fraser valley. When I mentioned the *Province*, the *Sun* and the *News-Herald*, the hon. member interjected and asked me if I had any proof. I cannot turn up the record just at the moment. I said that I had no direct proof about those three papers, but that I did have some proof about the Fraser valley. That is the record and the hon. member knows it. He endeavoured by reading the record to leave the inference that I had deliberately lied in the House of Commons. He just cannot get away with that. He has got away with a lot, but he is not going to get away with anything of that kind as long as I have breath in my body. I will have more to say later about the tactics of the hon. member for Rosetown-Biggar.

An hon. MEMBER: Oh, oh.

Mr. REID: You just sit down; you will have a chance later. You are not speaking to a stranger now; you are speaking to someone who knows he has a right to speak. The record stands exactly as I stated it. I can well understand a large newspaper saying that no one had come to see them, but we know what took place in 1935 throughout the Fraser Valley. We had it on fairly good authority that the three large newspapers in Vancouver were written to and told by the leaders of the provincial C.C.F. party that if they did not give them a good break, or were not kindly disposed to the C.C.F., the members belonging to

that party would withdraw their subscriptions. I have nothing to take back. I ask the hon. member to read the record as it stands.

Mr. COLDWELL: Mr. Chairman—

Some hon. MEMBERS: Order.

Mr. COLDWELL: May I just say this?

Mr. REID: I do not care what you say.

Mr. COLDWELL: May I just say this?

Some hon. MEMBERS: Order.

Mr. COLDWELL: I quoted the record.

Mr. REID: I demand that the hon. member for Rosetown-Biggar read the record to the house right now. Read *Hansard.*

Mr. COLDWELL: I will read it again.

The CHAIRMAN: I am going to give my ruling. The incident is closed. We are not here in committee to discuss matters of policy as between the different parties in the house. Both sides have had their say and the incident is closed.

Mr. COLDWELL: We are discussing a resolution, Mr. Chairman, and the statements to which I have referred were a part of the debate—

The CHAIRMAN. Order. I have given my ruling and the hon. member must abide by it unless he wishes to appeal from it.

Mr. COLDWELL: I do not want to appeal from your ruling, Mr. Chairman, but I submit that your ruling is not in accordance with the rules of the house.

The CHAIRMAN: I will make another appeal to the hon. member for Rosetown-Biggar to abide by my ruling. He has always been very cooperative and has always abided by the decisions of the chair.

Mr. REID: I am sorry that the rules of the house do not permit us to discuss the matter further.

Mr. COLDWELL: I want to abide by your ruling, Mr. Chairman—

Some hon. MEMBERS: Order.

Mr. COLDWELL: Hon. members cannot shout me down. I was going to say on a point of order, Mr. Chairman, that we are not discussing a bill or schedule, but a resolution. The resolution involves all matters connected with the war appropriation and with peace, order and good government, and I submit that I am in order in discussing any matter which comes under the war appropriation measure. But if you rule otherwise I shall abide by your ruling.

Mr. GRAYDON: I think we have had enough of this anyway, Mr. Chairman.

The CHAIRMAN: I have already given my ruling. The hon. member for Rosetown-Biggar used the word "technicality" yesterday. While technically we may have a right to discuss certain matters, there is an understanding that the members of the committee shall confine themselves to the item before the chair.

Item agreed to.

Rentals of premises occupied for war purposes, $1,900,000.

Mr. PERLEY: A number of changes have taken place in the operation and rental of buildings in the west, particularly in Regina. Buildings are being taken over, buildings are being rented, remodelled and so on. How much was spent in Saskatchewan last year in rentals, repairs and alterations of buildings for war purposes?

Hon. ALPHONSE FOURNIER (Minister of Public Works): I presume that my hon. friend is referring also to the first item?

Mr. PERLEY: Yes.

Mr. FOURNIER (Hull): With respect to the first item the amount is to be expended as follows: Salaries and wages, $840,000; cost-of-living bonus, $145,000; alterations to buildings, $850,000. These are estimates for 1944-45, as we do not know at the present date just what repairs and alterations will be required. The other items are: Light and power, $175,000; water and water rates, $35,000; fuel, $200,000; supplies for char service, $45,000; sundries, $10,000. That makes up the total of $2,300,000.

Mr. PERLEY: What portion of that will be spent in Saskatchewan?

Mr. FOURNIER (Hull): We are asking for a lump sum to make alterations to buildings as required. I cannot give a definite figure as to what will be required in Saskatchewan or any other province, but as recommendations come in from the district architects the expenditures are made.

Mr. DIEFENBAKER: We should have a statement from the minister setting out by provinces the rentals to be paid during the current year, and also what is the policy of the government with respect to buying or renting premises.

Mr. FOURNIER (Hull): The buildings coming under this item are all for the use of war departments or for war uses. For the Department of National Defence, for the use of the army, we pay in rentals, at Ottawa, $65,906.90, and outside Ottawa, $141,365.28, a total of $207,272.18; for the navy, at Ottawa, $24,259.06, and outside Ottawa, $42,093.12, a total of $66,352.28; for the air force, at Ottawa, $8,424, and outside Ottawa, $98,342.50, a total of $106,766.50; wartime prices and trade board, at Ottawa, $67,580.83, and outside Ottawa, $541,339.44, a total of $608,920.27; for the Department of Munitions and Supply, outside Ottawa, $150,339.78; for government departments, boards and commissions, at Ottawa, $155,855.43, and outside Ottawa, $459,918.49, or a total of $615,773.92; contingencies, at Ottawa, $17,973.78, and outside Ottawa, $126,601.29, a total of $144,575.07. That makes up a total of $1,900,000.

Mr. PERLEY: What rentals were paid in Regina, to whom paid and for what buildings?

Mr. FOURNIER (Hull): We have three different buildings for the army in Regina, at a total rental of $25,520.

Mr. PERLEY: To whom is it paid?

Mr. FOURNIER (Hull): I have not the names here but I could probably get them for my hon. friend some time to-day or to-morrow. The information before me shows the rentals for the army, the navy and air force and other departments. For the navy, at Halifax—

Mr. PERLEY: What are the buildings rented at Regina?

Mr. FOURNIER (Hull): In Regina we have no rented buildings for the navy or for the air force. For wartime prices and trade board we pay rentals amounting to $8,100; munitions and supply, $3,000; agriculture, $10,000; civil service commission, $480; labour, $7,630.08; pensions and national health, $480; soldier settlement board, $1,740; war labour board, $1,152. Those are the amounts paid in Regina in rentals.

Mr. GRAYDON: In the Department of Public Works, I am informed, there are about 110 seasonal firemen who are appointed through the minister's office from time to time. They were told by an official of the chief architect's branch that during the Christmas season they would get an addition by way of war supplement to the wages which they were then receiving. I understand that at that time these firemen were receiving $95 a month. After that season had passed and February 4 had arrived, an order in council or some regulation was passed which took care of some of the engineers, and some of the full-time firemen. I believe fifty engineers and sixteen full-time firemen were included and given war supplements. I wanted to bring this matter to the attention of the minister because there are some bitter complaints about it. There are, I believe, fifteen engineers who are not included in the order in council which was passed. These fifteen have a total of 250 years' service in the public works department, or at any rate in the civil service. I am told that these firemen and engineers work under a 26-shift month and their pay is $3.65 per shift. They have not received salary increases since 1921. I am not sure whether this applies to all of them, but it does to many of them. The question is this. Why was it that when the war supplements were paid all were not included? It is only fair that this question should be asked, and the minister should give us the reason for what seems to be an injustice to those firemen and engineers who were not included in the order in council which granted the war supplement, after they had been told that they would be given what I believe was referred to as a Christmas gift in the form of an increase in their salary or wages.

Mr. FOURNIER (Hull): I understand that in February there was a revision of salaries paid to seasonal firemen. If I remember rightly, before the question was settled they were receiving from $95 to $105 a month. After the first year they received $100 and after the second year $105. My understanding was that if anyone was left out of the supplement it would be the newcomers who had just entered the service. However, I will inquire into the matter and, if there is any injustice, see that it is remedied as soon as possible.

Mr. GRAYDON: I do not wish to do more than call the matter to the attention of the minister so that an investigation may be made. Will the minister indicate, as soon as he is able to answer the question, exactly what the position is?—because this is a matter that should be attended to. We cannot afford to have men engaged in such work unjustly treated.

Mr. FOURNIER (Hull): I will have that done.

Mr. COLDWELL: I thought we had pretty well completed the programme of erecting temporary buildings in this city or repairing and extending buildings, but I notice a very large extension of a temporary building is being made at the corner of Carling avenue—

Mr. FOURNIER (Hull): That is item No. 4.

Mr. COLDWELL: In that case I will raise the matter on the fourth item, or someone else will.

Mr. GRAYDON: I do not care whether the minister replies now to the remarks I am about to make, but I should like to have an answer from him at some time. I should like to know why the heating equipment in the east block was changed, the oil burners having been taken out and new stokers put in for the purpose of preventing the black smoke nuisance, when as a matter of fact, as I am informed, the nuisance is greater now than it ever was. When does the minister intend to go back to the original system of heating?

May I conclude all I have to say on public works by making this statement. I did not want to raise a complaint on the orders of the day because I thought that perhaps the matter was not important enough, but many members on this side of the house, and I have no doubt I speak for others as well, have found that their health is endangered by the draught in this chamber. I know that this remark is open to the facetious comment that it is hot air that is responsible. Coming from the other side such a comment might be so misunderstood. Seriously however, there is a great draught from the galleries or through the gallery doors. It flows down on some members and I have heard many complaints from various sections of the house. We cannot sit in this chamber day in and day out unless we are reasonably comfortable. Personally I do not suffer much from these draughts, but some members feel them keenly and have caught colds in consequence. Will the minister look into the matter?

Mr. FOURNIER (Hull): Last year we did have the ventilation system examined and we thought we had brought about some amelioration. I shall ask the officials of the department to look into it. With regard to the east block, that was an order from the oil controller. We were asked to make a change over from oil because of the shortage of fuel oil.

Mr. PINARD: Before this item is passed I wish to say a few words. My hon. friend the leader of the opposition acts as though he were the representative of the city of Ottawa. It is true the hon. member for Carleton (Mr. Boucher) is sitting next to him at the moment. He may act as though he were the representative of the city of Ottawa, but may I tell him that he will never occupy that position, nor will he have a representative from his party in that position.

Mr. GRAYDON: I do not think there is anything wrong in trying to do something for the city of Ottawa.

Mr. BOUCHER: Does the hon. member object to his interest in the city of Ottawa?

Mr. PINARD: No. My hon. friend speaks of an increase paid to seasonal firemen. That applies not only to the city of Ottawa; it applies to other places like Montreal and Toronto, but, of course, not to the village he represents. All those municipalities have firemen and they are all entitled to the same increase. May I say to my hon. friend that the Ottawa people and their representatives are as much awake as he is, but we do not want to disturb the peace of this committee.

Mr. GRAYDON: "Methinks the lady doth protest too much".

Mr. PINARD: It all depends. The hon. member says "lady", I do not know whether that is so or not—

Mr. BOUCHER: We will take your word for it.

Mr. PINARD: This question has been up many times. The salaries paid to these men are not sufficient. This is not the only case. The government pays less for ordinary labour than does the city of Ottawa. I have not objected to all these questions because I did not want to take up too much of the time of the committee. I think the time of the committee is too precious to be used for this kind of thing—picayune politics; that is what it is. I am sorry that my hon. friend ever thought that he represented the city of Ottawa. We are capable of doing that.

Mr. GRAYDON: There is some doubt about that.

Mr. PINARD: That is about all the hon. member can say. May I say further that the Department of Public Works has at all times done the best it could for the general service rendered by these people. We have all classes of labourers working for the Department of Public Works—snow cleaners, window washers, and so on; and they are not being paid a sufficiently high wage. We have tried to do what we could for them, but we have not succeeded at all times. This question is raised to-day because an increase of $5 or $10 a month was granted a year ago to these men. I should like to know who are the men that were raised to $10 a month. I am sure the hon. member for Carleton knows all about it. I ask him to give the answer at once.

Mr. BOUCHER: Ask your minister.

Mr. PINARD: The hon. member is making snowballs for his leader; he should throw them himself.

Mr. MARSHALL: I should like to make a suggestion to the acting leader of the government. Would it be possible for the Minister of Public Works to sit in a more central part of the chamber? It is very difficult for many members who are interested in the estimates to hear what is going on.

Mr. FRASER (Peterborough West): Has the wartime prices and trade board any offices in the Birks building in Ottawa?

Mr. FOURNIER (Hull): They still have two floors in the Birks building.

Mr. FRASER (Peterborough West): Have any other departments offices there?

Mr. FOURNIER (Hull): I do not believe there is any other department there.

Mr. FRASER (Peterborough West): Where did the wartime prices and trade board go when they were put out of that building?

Mr. FOURNIER (Hull): We had just completed a building on Sussex street to which we transferred seven or eight hundred people.

Mr. FRASER (Peterborough West): That is where they went?

Mr. FOURNIER (Hull): They went down on Sussex street.

Mr. FRASER (Peterborough West): I suggest to the minister that it does not look very well, when you go through the glass doors of the Birks building, to find on one panel the sign "Wartime Prices and Trade Board", and on the other panel "Liberal Association". It leaves a rather funny taste in your mouth when you go through those doors and see that.

Mr. FOURNIER (Hull): I may tell the hon. member that I have not been down there. I do not know what is on the door.

Mr. PERLEY: The minister in his breakdown gave some of the rents paid in the city of Regina, and they were as follows: Department of Agriculture, $10,000; Department of Labour, $7,000. Could he give us the names of the owners of the property concerned and where it is situated?

Mr. FOURNIER (Hull): I undertake to give my hon. friend the names of the buildings and the lessors of those buildings leased to the government. I shall have a list made up of all the buildings in Regina and I shall give it to my hon. friend.

Mr. PERLEY: When the estimates are carried?

Mr. FOURNIER (Hull): I may get that to-morrow. I shall send it to my hon. friend.

Mr. PERLEY: These estimates may be through in an hour and a half.

Mr. RALSTON: Sooner than that.

Mr. PERLEY: I hope so, if we can get that information. We are trying to get it, and if we do, it will facilitate the minister's estimates.

Mr. FOURNIER (Hull): I will undertake to have a list prepared and shall send it as soon as possible, maybe to-night, to my hon. friend.

Mr. ADAMSON: Does this item include the rental of the Toronto exhibition buildings for military purposes?

Mr. FOURNIER (Hull): No. This item covers only office accommodation in Ottawa and outside of Ottawa. It does not comprise works.

Item agreed to.

Furniture, etc., for war employees, $500,000.

Mr. BOUCHER: Would the minister give us the details of this item?

Mr. FOURNIER (Hull): Two years ago this item was $900,000. Requests come in from all parts of the country, from offices used for war purposes, for desks or filing cabinets or office equipment. Last year the item was $700,000 and almost the whole amount was expended. We believe that $500,000 will be sufficient this year. I cannot give the exact number of desks which will be needed by the departments. We are just the procurement agency for all these war departments.

Mr. BOUCHER: It seems to me that $500,000 is a large amount at this late stage of the war when the expansion has been cut down very materially. Could the minister break it up into departments or into cities and give us some detail rather than have it put through as a bulk sum?

Mr. FOURNIER (Hull): I am a little embarrassed because if we do not receive requisitions for this equipment from departments the amount will not be expended. It is voted as an estimate to meet future requirements. If no requisitions come in we will not spend the money. I do not know what the needs of the army, the navy, the air force, or the wartime prices and trade board or that of all the other departments for which we act, will be.

Mr. BOUCHER: If there were not a fair idea of the requisitions that would come, surely the sum of $500,000 would not have been provided. It occurred to me that the

appropriations of the various departments as submitted to the minister could be given to the committee now.

Mr. FOURNIER (Hull): We base this estimate on requirements that have come into the department during the last month of the last fiscal year. Those requests multiplied by twelve amount to about $500,000. That may be a little over or a little under the amount actually required, but I would not like to get a smaller amount and then have to return to treasury board and ask for further money; I would rather have this amount approved.

Mr. BOUCHER: The minister has no further break-down which he can give to the committee?

Mr. FOURNIER (Hull): No, not on an estimate of this kind.

Mr. MARSHALL: I should think the minister could give us a break-down of the amount actually spent on furniture under the war appropriation measures since September, 1939. I should like the amount spent in offices outside Ottawa and the amount spent in offices in Ottawa. I should like also the amount the department pays in rentals for furniture and office equipment. I believe a considerable amount of money is spent from year to year by the government in rentals alone. I would ask the minister to give me those figures.

Mr. FOURNIER (Hull): My officials inform me that we do not rent furniture for government offices; we purchase it. I can give the hon. gentleman the amount spent on furniture since the beginning of the war.

Mr. MARSHALL: Is this just in the city of Ottawa?

Mr. FOURNIER (Hull): No, for the whole country, Ottawa and outside. The figures for the fiscal years are as follows:

1939-40	$253,353
1940-41	598,924
1941-42	784,291
1942-43	850,734

I have not the exact figures for 1943-44, but to January 31 of this year the amount expended was $433,578. Probably that is the basis of this year's estimate of $500,000.

Mr. FRASER (Peterborough West): Would part of that $500,000 be used to furnish the new temporary buildings?

Mr. FOURNIER (Hull): Yes; every temporary building put up for war purposes.

Mr. BOUCHER: I do not quite understand the minister saying he arrived at the amount of $500,000 with no data at all, unless it was done by virtue of past experience. It does seem to me that each department would submit an estimate which the minister could give us.

Mr. FOURNIER (Hull): I am told that the estimate is based upon monthly expenditures for furniture during the previous year. That is about the best directive we can follow. We are not buying this furniture for public works; we receive requisitions from various departments. We try to keep down expenses as much as we can, but we have to fill the requisitions when they are approved by treasury board, and this $500,000 seems to be the amount that will be required this year.

Mr. NICHOLSON: Shortly after the minister came into the department he achieved a good deal of notoriety in connection with rugs and chairs that were purchased. Could he bring the committee up to date on the situation in regard to rugs?

Mr. FOURNIER (Hull): There has been a lull in questions asked in the house in regard to rugs. During the first six months I was in the department, when questions were asked in the house, I think we had purchased six rugs for the whole country. Since then I believe we have purchased a few more, but I have not the exact number. I recall signing two or three requisitions, and I am informed that two were for the senate.

Mr. DIEFENBAKER: Does the minister purchase all the rugs and supplies of that kind for the various war departments?

Mr. FOURNIER (Hull): Oh, no. This item goes to provide for furniture purchased by the Department of Public Works for offices only, at Ottawa and outside Ottawa, for all war departments, boards and commissions, but does not cover requirements of active field units such as air stations, ordnance depots, naval stations and military hospitals, which are purchased through the Department of Munitions and Supply and charged to each separate war department.

Mr. BOUCHER: Is it not a fact that many departments purchase their own rugs, chairs and furniture without asking the Department of Public Works to procure them, for war purposes only

Mr. FOURNIER (Hull): I would not know. If they do, it is not to my knowledge and I would not discuss it, because I do not know the facts.

Mr. DIEFENBAKER: Why is it that purchases of rugs and that sort of thing are made by the Department of Munitions and Supply instead of through the Department of Public Works?

Mr. FOURNIER (Hull): I do not even know if they do purchase them.

Mr. DIEFENBAKER: A return brought down last year showed the purchases of rugs for the navy, army, and air force. It would not be necessary to refer to this but for the fact that the minister said with considerable pride that since he had been minister only a few rugs had been purchased.

Mr. FOURNIER (Hull): You do not doubt that statement, I hope?

Mr. DIEFENBAKER: Oh ,no; but the departments that purchase the rugs for the use of the navy, army, and air force are entirely apart from the Department of Public Works. As a matter of fact purchases made for the year ending March 31, 1943, the latest figures available, were as follows: For the air force, $11,300; for the navy, $14,800, and for the army, $19,500. These are in addition to any purchases that may come through the Department of Public Works. Has the minister any figures before him to show the expenditures on furniture for war departments in Saskatchewan, Alberta and Manitoba during the past year?

Mr. FOURNIER (Hull): I have not a break-down of those figures. To deal with the first point mentioned by my hon. friend, that rugs are purchased by departments other than the Department of Public Works, I am quite willing to accept statements made in the return, but personally, as minister of the department, I do not know. All I can say is that they may purchase rugs in their units, air stations, ordnance depots, naval stations and military hospitals, which do not come under public works in connection with these purchases. As to the break-down by provinces, I am afraid I do not have it.

Mr. DIEFENBAKER: A short time ago the hon. member for Qu'Appelle asked a question, and the answer was, "Well, we have not the records available." We are asked to pass very large sums of money, and surely we are entitled to these break-downs when we ask for them.

Mr. FOURNIER (Hull): I believe the hon. gentleman is right in asking the question, and probably I should have the break-down. I will instruct my officials to prepare it, but I cannot give it at the moment. Some time later I can place on record a break-down of this item by provinces.

Mr. PERLEY: I see at page U-16 of the auditor general's report an item of $400,000 for rugs and desks. The minister said a few moments ago that he had not purchased any since he took office. This item in last year's accounts shows that a considerable quantity was purchased.

Mr. FOURNIER (Hull): What financial year is that?

Mr. PERLEY: Last year.

Mr. FOURNIER (Hull): That is 1942-43. I was sworn in on October 7, 1942, and served for only a few months of that fiscal year. The hon. member may be sure that what I had said about rugs is true. I am not trying to hide any purchases of rugs we have made.

Mr. PERLEY: I was just taking what appears in the auditor general's report, where I find an amount of $399,000.

Mr. BOUCHER: Would the minister give us further details as to the policy of purchasing? I see that some departments do purchase rugs without going through the Department of Public Works. What is the line of demarcation as between his department and other departments for the purchase of supplies and furniture? How is it decided which department should do the purchasing?

Mr. FOURNIER (Hull): The Department of Public Works purchases furniture for office accommodation throughout the country. But what I have said about the army, the air force and the Department of Pensions and National Health is true. We receive no requisition, and have no authority. Then, as to our method of purchasing, we proceed by calling for tenders for every bit of furniture we buy.

Item agreed to.

Ottawa, addition to temporary building No. 8, Carling avenue, $300,000.

Mr. KNOWLES: At this point will the minister answer the question asked a few moments ago by the hon. member for Rosetown-Biggar?

Mr. FOURNIER (Hull): Yes. Under this item we are asking for $300,000 for the extension to No. 8 building on Carling avenue. That building has 200,000 square feet, and we have been requested by different departments for an additional 80,000 square feet. This space is for national registration under the Department of Labour, and for the censorship division of the Department of National War Services. In the last year those two departments have expanded to the extent that they need nearly all this new space. After tender the contract was awarded to H. A. Wickett & Company for $332,557. In the last fiscal year $50,000 was spent; this year we are asking for the balance of $300,000.

This is one of the largest temporary buildings in Ottawa. The location seemed suitable for these two departments, because they have other branches located there. I believe, too, that the records division of the Department of National Defence is in the same building. I think this is the last temporary building we have undertaken, because we have tried to limit their number. I am receiving requests nearly every month from different departments for more space, but I have tried to keep down the number of temporary buildings and the amount of rented space. This is the last one, and the contract was given on September 23, 1943.

Mr. KNOWLES: When will this building be completed?

Mr. FOURNIER (Hull): The work was delayed because of the difficulty of obtaining lumber. It is expected however that the building will be occupied in the fall.

Mr. EDWARDS: It is my understanding that the Department of Public Works, in awarding contracts for temporary or other buildings to a general contractor, imposes no condition that the contractor shall name the subcontractors to be used or employed by him. On the other hand I understand that in respect of contracts let by the Department of Munitions and Supply that department requires the general contractor, if he is to use subcontractors, to name them. I understand that there are complaints by subcontractors in various parts of the country who in good faith have tendered to general contractors for work involved in connection with certain undertakings—be they plumbing, heating, painting, stone work or the like. It appears that it is the practice of some general contractors—I do not believe it is general—to go round and try to get better prices—or, to use the common expression, to chisel on the subcontractors. I should like to ascertain from the minister—and I am not suggesting that this practice has developed recently—how long it has prevailed in the Department of Public Works, and whether or not any consideration has been given to adopting what to my mind is a fairer practice—that of requiring the general contractor to name his subcontractors, and following through and seeing that the general contractor does in fact award his subcontracts to the persons named in his tender.

Mr. FOURNIER (Hull): The policy in the Department of Public Works is to ask for tenders after having the plans and specifications prepared. General contractors make their bids, and the lowest bid is accepted. We do not inquire into subcontracts, or those from whom the general contractor has asked tenders with respect to subcontracts. There may be something in my hon. friend's suggestion to the effect that, after being awarded a contract, a general contractor may go round and peddle subcontracts. As I am not an expert in the matter I have no personal knowledge. However I shall ask the officials of the department to study the system outlined by the hon. member, and followed as he says by the Department of Munitions and Supply.

Mr. EDWARDS: I believe what I have said is accurate.

Mr. FOURNIER (Hull): Perhaps we will change our policy, if the suggested one is found to be better.

Mr. GILLIS: May I support the hon. member for Calgary West, and perhaps go somewhat further. He is completely justified in what he has said—so far as he has gone. In my view the procedure of letting subcontracts should be completely eliminated. I think it is the government's responsibility to know that a contractor bidding for a contract has machinery adequate to carry out such contract. The contractor makes a bid at a certain price, and gets the contract on that basis, in many instances because he is the lowest tenderer. Immediately he gets the contract he starts to subcontract, and then the subcontractor has to chisel on his employees. The employees are the ones who suffer at the hands of the subcontractor. The subcontractor must try to make some money out of his subcontract, and the only way he can do that in many cases is to chisel on the men who actually do the work. If you examine into the construction of your airports and other national defence projects since the outbreak of the war you will find that many labour disputes occurred because subcontractors endeavoured to make some money by chiselling on their employees.

Mr. FOURNIER (Hull): The hon. member is referring to Munitions and Supply now.

Mr. GILLIS: The principle is the same in any department.

Mr. FOURNIER (Hull): Not according to what the hon. member said a moment ago.

Mr. GILLIS: If a company undertakes a contract for the Department of Public Works to construct a building they figure their labour and material costs. They should then be obliged to go ahead with the work. But after getting a contract on that basis they farm it out to others who did not figure in the main contract. The result is that they have to squeeze somebody, and the only ones they can squeeze are the men who actually work on the job.

Mr. EDWARDS: I am sure my hon. friend is misinterpreting what I said, or is not familiar with the practice followed by general contractors.

Mr. GILLIS: I am familiar with it. I have had many headaches during the last four years because of that very point.

Mr. EDWARDS: If, as my hon. friend has suggested, a general contractor had to do all the work in connection with the construction of a building it would mean the elimination of seventy-five per cent of the general contractors in this country. Very few of them have the facilities, for example, to do heating and plumbing work, tinsmithing, roofing, electrical wiring, and so on. I know of only one general contractor who has representatives of all the building trades in his employ. When a general contractor is bidding on a contract he goes to the metal worker to get a price on the metal work; he goes to the hardware man for a price on the hardware; he goes to the painter for a price on the painting, and so on down the line. He takes those prices and makes his bid on that basis. But the difficulty arises from the fact that when a general contractor is awarded a contract he is under no obligation to give subcontracts to any of the men who in good faith have submitted bids. After the contract is let he knows what his price is, and some of these men are likely to go, for example, to the electrical man and say, "We have your price of $10,000 for the electrical work; if you can cut that by $1,500 we will give you the contract; failing that we will probably give it to somebody else." The result is that subcontractors are bidding against each other.

I can quite understand a subcontractor being tempted, in an effort to keep his men employed, to do what my hon. friend suggests is done. He might go to his workmen and say, "Here is a six months' job that will provide work for everybody; if you are willing to cut your wage rates for steady employment, I will take you on." I can see quite well that that nefarious practice might be adopted by a subcontractor. The practice, as I appreciate it, now followed by the Department of Munitions and Supply, is to require the general contractor to name the subcontractor. Then perforce the general contractor would have to use those subcontractors and you would avoid the possibility of the general contractor chiselling on his subcontractors. It may be necessary and desirable that some protection be provided. I understand that according to the regulations the subcontractor must comply with the fair wage provisions which are embodied in every federal government contract.

[Mr. Gillis.]

Mr. ISNOR: The point raised by the hon. member for Calgary West is well taken. It is just a matter of procedure. I differ with him to this extent: if his suggestion were followed it would make it almost impossible for the small local contractor to get any of this work. I do not wish to go over the procedure, but the fact is that when a large contract is to be let, the bidding is done by contractors in the larger centres. In the east we have to contend with contractors from Montreal and Toronto who bid on every large project. I do not think the solution to this problem will be found by naming the subcontractor. I should like to offer a suggestion which I admit may not be feasible. I suggest that the amount of the subcontracts be indicated. It would then be possible for the main contractor to go to the local subcontractors and say: Work is being done in this section of the country and we have put in a tender of $15,000 for plumbing, $7,000 for electrical work and so on; those figures are included in our main tender; we know you can do this work satisfactorily, because you are a reliable firm, so that if you are prepared to do it we are prepared to enter into a subcontract with you.

I know the minister and his officials are very efficient, and I make that suggestion to them. I support the principle of fair wage provisions. In every contract I have seen, and I have read over a number in the last fifteen or twenty years, there have been fair wage clauses. The main contractor is responsible for the maintaining of the fair wage schedule, in connection not only with the main contract but with all subcontracts. I think serious consideration should be given to adopting a procedure under which protection would be given to the small contractor so that there would not be—I am not going to use the word "chiselling"—any of the shopping around that is so prevalent when the larger contractors are bidding on projects.

Mr. GILLIS: In my opinion the procedure described by the hon. member for Calgary West is not subcontracting; it is simply a main contractor getting a contract under false pretences. Let us assume that Public Works is undertaking the construction of a building in Ottawa and a construction company puts in a bid. The bidding is on the total construction of that building, on every phase of it. When a company puts in a tender and receives a contract it is assumed that it has figured on every item of cost, and it is the main contractor who has the obligation of seeing to it that the work is carried out according to specifications. It is not his job, after he receives a contract to go shopping around,

trying to get someone to do it for nothing. But that is the case under present conditions. I do not believe that the main contractor should name any subcontractors or firms who are to assist him in completing the contract, because the whole obligation rests upon the main contractor himself, and the government is responsible for seeing to it that he lives up to his contract. But here is what sometimes happens, and I know this particular case. The main contractor got a contract for erecting a barracks in a certain section in my part of the country. Then he goes to an undertaking firm and gives the undertaker a subcontract for the construction of those buildings. That is neither efficient nor in the best interests of the country. When a contractor accepts a contract with the federal government for any project it is up to him to see that it is done, and he must figure on every item of cost.

Mr. ISNOR: The main contractor is still responsible even if he has a subcontractor.

Mr. GILLIS: There have been some pretty miserable jobs done, and I would not want to start mentioning them here at this stage, but when the war situation is not so tense and we get some of our problems off our hands, we shall be able to tell the Canadian people about some jobs which have been done on that basis since the outbreak of the war.

An hon. MEMBER: What about the undertaker?

Mr. GILLIS: I could name the firm and go into details of the transaction, but I do not want to do so now. I cannot agree with the hon. member for Calgary West that the main contractor should be permitted to farm out his contract to get the work done as cheaply as possible. That should not be permitted.

Mr. FOURNIER (Hull): The procedure followed in the department is not exactly as it has been described. The lowest tenderer gets the contract. He is a general contractor, we will say. The next step is that he brings into the department a list of his subcontractors and the amounts they are charging for every part of the work they are doing. We approve or disapprove the subcontractors. The work proceeds and we see to it that the contract is executed according to the terms of the contract. We know who are the subcontractors. We have a fair wage clause in the contract and that is followed throughout the contract. We require a security deposit which we hold until the building has been finally accepted.

I do not see how they can start playing with wages, because we have our inspectors going around and the labour department also has a fair wage officer whose duty it is to see that the fair wage clause is observed. I should like to enlighten myself, but I have not seen the light yet after the two speeches to which I have just listened.

Mr. BOUCHER: Does the minister say that the department goes into the various costs submitted by the subcontractors and checks them up?

Mr. FOURNIER (Hull): Yes.

Mr. BOUCHER: I can see that difficulty might be avoided by that policy. I suppose the only difficulty, when there are two or three subcontractors, would be with their getting the necessary materials and labour.

Item agreed to.

Post-war construction programme—preparation of plans, specifications, et cetera, $95,000.

Mr. LACOMBE (Translation): Mr. Chairman, I have just one word to say in this connection. Before contemplating any building programme for the post-war period, the government would do well to pay their old debts, especially those incurred in the fall of 1939. I have already pointed out to the Minister of Public Works (Mr. Fournier) that his predecessor, the hon. member for Richelieu-Verchères (Mr. Cardin), promised to compensate the reverend trappist monks of Oka, for advances made by them and in connection with work done on a public stream. I am again making representations to the Minister of Public Works with a view to obtaining for the reverend trappist monks a refund of the expenditures they have made for work done on this stream during the fall of 1939. I had quite a correspondence with the hon. member about that matter. Agriculture is essential to our armed forces and our civilian population; I have already said and I repeat now that it is our first defence line. The minister claimed in his correspondence that such work now comes under the jurisdiction of provincial governments, but the pledge given to the reverend trappist monks goes back to the fall of 1939 and it should be fulfilled. It is just a matter of refunding $184, which is a paltry sum for the government but a most important item for the reverend trappist monks.

Mr. FOURNIER (Hull) (Translation): As far as I can recollect, that protection work was carried out under an appropriation for the fiscal year—

Mr. LACOMBE (Translation): May I remind the minister that it was not protection but drainage work carried out on the Rousse stream.

Mr. FOURNIER (Hull) (Translation): Such work would have been carried out under an appropriation voted for the year 1939-40, to the best of my memory. As the work was not completed during the fiscal year the appropriation lapsed and the next year the house did not vote any further amount for work of that kind. That work was begun during the fiscal year 1939-40—I do not recollect all the details on file—and in 1944 I answered that the house had not put any funds at my disposal for that kind of work. In spite of my goodwill, I was not in a position to make that payment, as I had no authority to do so and the required funds were unavailable.

As regards that part of my hon. friend's remarks where he mentioned the development of agriculture, he knows quite well that we are all in favour of that, but I do not think that such an argument could solve the problem and induce parliament to vote in time of war money for work of a civilian character. Since 1939, the government's policy has been directed towards avoiding all such expenditures and attempting to direct all our efforts to the winning of the war. Such was the policy of the former minister and such it still is to-day. I am sorry, but my estimates do not provide any funds for expenditures of this kind.

Mr. LACOMBE (Translation): The minister will allow me to point out that this expenditure was incurred following a direct promise of reimbursement made to the reverend Trappist Fathers. I fail to see why the minister has not included in his estimates this small amount of $184 which is justly claimed by this religious order.

Mr. FOURNIER (Hull) (Translation): This claim is not the only one of its kind by any means. During the war, I cannot undertake to reimburse expenditures on works carried on in the course of a fiscal year for which no estimates have been provided to that end. I do not know whether the hon. member has followed me. The amount had been voted for, say, the fiscal year 1939-40. If my memory serves me right, the work had not been completed by the end of the year, indeed there are several similar cases. This work was continued during the next fiscal year. The hon. member says that a formal promise was made. There can be a formal promise only when work is carried out during the fiscal year for which estimates were voted; you may then receive payment. But if the work is carried out the following year when no appropriations have been submitted to the house in connection with such work, I cannot see how you may be reimbursed.

Mr. LACOMBE (Laval-Two Mountains) (Translation): As we are now discussing a post-war programme, would the minister tell me whether the reverend Trappist fathers may be paid after the war?

Mr. FOURNIER (Hull) (Translation): I may say that I shall submit the case to the government for further consideration, but I cannot commit myself to a formal promise.

(Text)

Mr. ROSS (Souris): Will the minister explain what is meant by this programme in connection with the preparation of plans and specifications? Does it relate to any of the plans that may have been before the reconstruction committee? Will he be good enough to tell us exactly what plans and specifications are covered?

Mr. FOURNIER (Hull): The amount required in this estimate would be for the cost of additional temporary architectural and clerical assistants necessary to carry out the preparation of plans and specifications for departmental projects for the post-war period. I understand that our architects are making a survey of public buildings in every district and are reporting to us on future works that may be carried out in all these places.

Mr. ROSS (Souris): Right across Canada?

Mr. FOURNIER (Hull): Yes. We find that we shall need more architects and we are even looking for architects. They are very difficult to find nowadays because they are all employed in war construction and other undertakings, but we intend to employ more architects and acquire more clerical help to look into the condition of buildings, the necessity for new buildings, and so on, throughout the country. We are preparing standard plans for certain post offices, according to the size of the town or city, so that we may be ready, if it is the wish of parliament, to undertake work in this connection when the war is over.

Mr. ROSS (Souris): This covers ordinary public buildings such as post offices and the other buildings that are used now?

Mr. FOURNIER (Hull): Yes.

Mr. ROSS (Souris): It does not cover any specific programme?

Mr. FOURNIER (Hull): No.

Mr. ISNOR: I had thought this amount would be very much larger. It takes in a big

programme of post-war construction, expenses in connection with the preparation of plans and specifications, et cetera, $95,000.

Mr. FOURNIER (Hull): May I interrupt to say that the amount is $250,000 for what they have in mind, though for this fiscal year they are asking for $95,000.

Mr. ISNOR: I am pleased to know that the amount is nearer a quarter of a million. Will this cover assistance to projects that will be undertaken in connection with a post-war planning scheme by the municipalities?

Mr. FOURNIER (Hull): No.

Mr. ISNOR: I have in mind particularly a request I received from the town of Dartmouth on the eastern side of Halifax harbour. No doubt the minister is familiar with the situation there. We were promised years ago, by former prime ministers, that there would be a Halifax-Dartmouth bridge and we are still waiting for it. Perhaps the minister will take note of that and include it in his post-war programme for construction at the proper time.

That, however, is not what I have in mind. I am thinking of ferry facilities. There is a ferry which is operated by the municipality of Dartmouth. It carries on a twenty-four-hour service between Halifax and the town of Dartmouth. As the minister no doubt knows, the eastern air command have a very fine airport and base on the eastern side, and this ferry is the only means of communication. The traffic has increased some 300 per cent, with the result that they have not been able to look after their docking facilities in the same way as they have done in ordinary peace times. Quite recently, with the idea of post-war planning, they placed before the Department of Public Works a request that they be assisted in making plans to take care of a larger and more up-to-date system of dock facilities. My question is this: Does this item cover such post-war plans as I have mentioned, and, if so, will the minister be good enough to indicate whether the department is willing to assist the town of Dartmouth, in connection with the Dartmouth ferry, in procuring the necessary advice and plans to bring into effect their proposed development?

Mr. FOURNIER (Hull): This item would not apply to any municipal project or to any ferry projects. It concerns public buildings, such as post offices, customs buildings, and other public buildings in cities and towns throughout the country. As to the request for assistance to the people of Dartmouth, the department is always ready to help communities, but to what extent I cannot say. I shall have to look into this project and see whether the federal authority has jurisdiction or could employ its people, or spend any money, on the undertaking. However, I will bring the matter to the attention of the officials of the department to see what they can do.

Mr. ISNOR: I thank the minister. I may say that the people of Dartmouth are not asking the department to undertake the expense of building these facilities. They are simply asking for assistance, to provide them with the architects, because architects are not available at the present time in that section of the country. The people are hoping that the minister will see his way clear to place at their disposal one or two of the men in the district of Halifax to assist them in making plans.

Mr. FOURNIER (Hull): I should not like to commit the department during war when we ourselves lack architects and engineers. I could not undertake to do what the hon. member requests. His request can be gone into after the war. At the present time we are looking for architects and engineers for the work we have to do.

Mr. ISNOR: The minister will give the matter consideration?

Mr. FOURNIER (Hull): Certainly.

Mr. DIEFENBAKER: There are two items in connection with post-war construction that I presume could be dealt with at the same time. There is the item of $95,000 under the chief architect's branch, which has to do with expenditures in connection with preparation of plans, specifications, et cetera, and there is an item of $146,000 in connection with surveys, preparation of plans and specifications, et cetera, under the chief engineer's branch. This is the first concrete example of the government's plans to take up the slack of unemployment after the war. That will be done, apparently, by a public works construction programme. We have heard a great deal of plans for the post-war period. One hon. member of this committee has given much consideration to the necessity of public works being used in that connection. I refer to the hon. member for Davenport. This item indicates that the government now has a definite plan or blue-print that is to be followed. I should like the minister to explain fully the nature of that plan. I realize that there cannot be complete unanimity in the cabinet in that regard; for last fall I remember reading that one minister, the Minister of Pensions and National Health, in making a

speech to a service club referred to the necessity of public works and a programme being made available now for post-war. On the same day the Minister of Munitions and Supply said that public works was not a solution of post-war unemployment.

This is a considerable expenditure, particularly when one remembers that it is concerned only with the matter of plans. I should like the minister to tell us to what extent he is following out the policy of the government in this item and to what extent it is anticipated that during the first or second year after the war the development of a public works project will ensure employment. In Canada to-day, as in the United States and elsewhere, groups of business and professional men and service clubs are endeavouring to visualize the conditions that will exist when the war ends. They are endeavouring to arrive at plans for post-war employment. For the first time to my knowledge parliament is now asked, and properly so, to pass a vote in order to enable the Department of Public Works to prepare plans for the post-war period. As I see the picture, it is to survey the need for public buildings in all parts of the country. That survey has now been proceeded with. If my information is correct, the minister has in his possession a general indication of the possible expenditure that the government, if it is in power at that time, intends to make after the war, and also the number of people, men discharged from the armed forces, and those who will be out of work as a result of the discontinuance of war industry, who will be assured of employment. No one expects that public works of itself will ensure employment. But it is one method whereby during the interim period in the passage from a war-time to a peace-time economy the slack of unemployment may be taken up temporarily.

I believe that a survey has been made by the Ottawa branch of the unemployment commission to indicate the degree and percentage of unemployment there will be when the various war industries are closed down. I referred to it the other day. For instance, if a class A industry is closed down within thirty days, thirty-five or forty per cent of the employees will require work elsewhere. I presume that this vote is to cover a situation such as that, in order that in that great changing period those who otherwise would be out of work, or would find themselves in receipt of payment under the Unemployment Insurance Act, instead of following that course and that delay, will be assured of employment through the medium of public works.

I commend the minister for taking the first step; but in asking us to vote this amount I think we ought to be assured that the government has a definite plan in mind; that it has a survey reasonably completed to-day, and that the members of this committee and the country will be made cognizant of what is being done.

Mr. BENCE: This is one of the very important items of the minister's department. Like the hon. member for Lake Centre I should like to obtain some information on what plans the government has in mind with respect to the allocation of this work across Canada. I believe that the minister's department should be concentrating as much as possible on matters such as these in an endeavour to obtain some cohesion across the country so that we shall know what we are stepping into when the war is over and what type of public buildings will be erected and where.

I was considerably surprised by the minister's statement that he had difficulty in finding architects, because information that I received as late as last fall indicated that architects were available. It may be that engineers are not available, but I believe that if the minister would canvass the situation carefully and advertise extensively he would find that architects are available, provided that they are paid adequately and reasonably for the services which they render.

May I suggest to the minister that when he considers this problem across the country he should remember that many municipalities, towns and cities have plans either ready or in mind, and that he should in some way or another endeavour to work out some kind of proposition so that all these plans and suggestions will be gathered together and correlated. In that connection may I say it has been brought to my attention that some of the smaller municipalities and towns find themselves in a position where they are unable to give complete details to the minister's department or to the administration with respect to proposed public works because they have not the necessary money with which to prepare the blueprints. I have in mind a communication which I received from the town of Sutherland, in my own constituency. They say that although they have certain plans which they should like to pass on to the administration, they cannot afford to spend several thousand dollars in the preparation of blueprints, not knowing whether or not in the final analysis the plans will be accepted.

I suggest to the minister and to the administration that some kind of plan should be

worked out whereby those municipalities, particularly in what are called the unorganized areas, may be in a position to present complete and adequate plans to the administration. The same difficulty does not arise in the larger cities, because they have the necessary staff and finances to carry out this work, but the smaller places find themselves in a position where they cannot do this work.

May I suggest to the administration that when it comes to the erection of these public works consideration be given to an endeavour to solve the problem which has arisen as a result of the war, namely, the congestion in certain parts of the country. The minister and his advisers should consider the commencement of these works, particularly in areas such as in Saskatchewan, which, because of the necessities of war, have been denuded of their population, which has been brought down to this part of the country and other congested areas. It seems to me that the administration would be very well advised to keep this in mind, so that these works will be among the first to be undertaken in order that we may complete the decentralization which will have to be brought about if we are to have a proper and adequate economy in this dominion.

Mr. FOURNIER (Hull): This item was studied by the department with one object. In the last year before the war the department spent something like $27,000,000 on public works. This year the ordinary estimates are down to something like $13,600,000. This means that we have not maintained our public buildings, wharves, breakwaters and so on, in the state of repair in which they would have been maintained had more money been placed at our disposal. We shall have our architects and engineers go over these works that belong to the federal government and make a report on their condition, in order to see what expenditures will be necessary to put them in a good state of repair. In addition, every day we receive requests for public buildings throughout the country, and we are convinced that many of them are needed. I would not want the committee to think that this item was brought in here by the department as the reconstruction programme of the government. This provides for the reconstruction of our own works immediately after the war; it will form a part, but not a very large part, of that post-war programme. Supposing we should fall back into a period of depression and unemployment; we have tried public works in the past, and they are not a cure or even a palliative for unemployment. They can help, as they have helped in the past, but I believe—and I am speaking personally—that a reconstruction programme should include much more than just public works, because public works coming under federal jurisdiction are limited to certain kinds of buildings and other projects, which we are quite ready to undertake.

I make this statement so that hon. members will not think it has been decided by the government that this amount represents the reconstruction programme envisaged by the setting up of a reconstruction department to coordinate the efforts of all departments of government. This money will be expended on our own works, in an attempt to put them in a good state of repair and develop them where necessary for the good of the public service.

Mr. DIEFENBAKER: Is this not part of the government's post-war scheme to take up the slack in employment?

Mr. FOURNIER (Hull): Not in the sense my hon. friend has in mind. This is a departmental post-war plan to take care of property coming under our control.

Mr. DIEFENBAKER: That being the case, is there any government plan under which the Department of Public Works will consider some segment of the greater problem of post-war employment?

Mr. FOURNIER (Hull): I believe that is a matter of policy which will be dealt with in due course. I do not think under this item I have authority to deal with the policy of the government as a whole in connection with reconstruction projects.

Mr. KNOWLES: I believe it is the thought of the Prime Minister that one memorial to those who give their lives in this conflict might be the general reconstruction of the city of Ottawa, and I am wondering whether such plans are included in this item.

There is another matter I should like to suggest to the minister along the line of memorials which might be constructed in local communities when the war is over. The suggestion I am going to offer appeals to me very much. It was made to me in a letter I received not long ago from a member of the armed forces serving overseas. His thought was that when the war is over and local communities are thinking in terms of the most suitable kind of memorial to erect to the memory of those who gave their lives in service, it might be desirable to construct something really useful in the community. Several times this afternoon the minister has referred to public buildings and has made it clear that

in using those words he is thinking primarily of buildings for government departments, for office purposes and so on. There are other kinds of public buildings that we might take into consideration, such as adequate community halls, particularly in rural communities, which would be useful not only for office purposes but for a large number of Canadian citizens. That, indeed, is the suggestion which my correspondent has made to me, and because it appeals to me I offer it to the minister now. As he may know, the community halls we have in some parts of the country to-day do not fill the bill. In many cases they are firetraps and lack such things as accommodation for a district nurse, committee room space for men's and women's organizations, agricultural societies, boys' and girls' clubs and organizations of that kind. There is also the matter of toilet accommodation and washroom facilities necessary in local communities, particularly when one thinks of days when the whole countryside visits the town for some particular occasion. One thinks also of attractive dance halls, and facilities for drama and other seasonal activities which might be provided in such community halls, together with basement facilities for games and other activities.

This is the sort of thing that might well be realized if some lead were given in the matter. The suggestion in the letter to which I have referred is that the federal government thinking in terms of post-war construction, might offer to put up dollar for dollar with local communities to enable them to erect adequate fireproof community halls containing the facilities I have already suggested. No doubt in some communities an idea of this kind will take root and be acted upon. There can be no doubt of the need for it, particularly in rural communities. Although I do not represent a rural constituency I know something about life in the country, particularly in western Canada. Bearing in mind the need for this kind of thing, I believe it would be a worth-while gesture if the government were to give consideration to the idea.

As I said a moment ago, when the minister speaks about public buildings he appears to think only of buildings which provide office space for government departments. We recognize the need for those buildings, not only in Ottawa but throughout the country. I suggest, however, that there is also this other kind of public building which could be of real service to a community.

Mr. STIRLING: And use the taxpayers' money for it?

[Mr. Knowles.]

Mr. KNOWLES: I suggest, too, that the money the people of this country will want to spend on some kind of suitable memorials for those who are serving and giving their lives in this conflict would perhaps be spent more wisely and more usefully if a lead of this kind were given. I am wondering whether anything of this nature is included in the item for postwar construction. If not, would the minister take it into consideration?

Mr. FOURNIER (Hull): No; under the item for post-war reconstruction we do not contemplate erecting any buildings or works which are not for the use of government services. War memorials are not comprised in this item.

Mr. GILLIS: I should like to ask a question connected with this matter of post-war reconstruction.

The CHAIRMAN: I believe the minister has stated that he can answer no question of policy with respect to the post-war programme. We are dealing with public works actually in existence.

Mr. GILLIS: I am going to ask about public works. The minister will remember that in December and January I had some correspondence with him, and interviewed an officer in the Department of Public Works in respect of the breakwater at Port Morien, Nova Scotia. In the minister's last letter dated January 13 he mentioned that an item in connection with the post-war reconstruction programme would be placed in the main estimates to take care of that situation. I have gone through those estimates, and I find no such item.

Mr. FOURNIER (Hull): That would not be a war appropriation.

Mr. GILLIS: It is not in the main estimates, either.

Mr. FOURNIER (Hull): But there will be supplementary estimates.

Mr. GILLIS: I merely wanted to know if the minister still had the matter in mind, because it is closely connected with the livelihood of the entire village.

Mr. FOURNIER (Hull): I wrote a letter stating that we would have an estimate, and there will be an estimate.

Mr. GILLIS: I hope there will be.

Mr. TUSTIN: In connection with the item of $95,000 for the preparation of plans and specifications has the minister any definite proposals in mind, or is he talking only in generalities?

Mr. FOURNIER (Hull): Mostly generalities because, as I said, these men are going to look over the buildings, see what has to be done to them, report to the department, and then prepare plans in the department either for repair and maintenance, for the putting up of new buildings, or for the extension of those in existence. The same applies to the item under the chief engineer's branch, and having to do with wharves, breakwaters and the like. I cannot give a specific instance. We are putting these people to work to make the necessary reports. Then we will prepare the plans according to the reports.

Mr. MARSHALL: Are these new departments to be set up, separate and entirely different from the other departments?

Mr. FOURNIER (Hull): No. They come under the chief architect's branch and the chief engineer's branch. There is no change in the set-up.

Item agreed to.

Post-war construction programme, surveys, preparation of plans and specifications, etc., $146,000.

Mr. MacNICOL: Why are any of these items in the war appropriation measure? So far as I can see, they all pertain to the post-war period.

Mr. FOURNIER (Hull): We have thought in the department that during the war we should have an item in which we would prepare for the post-war period. This amount of $146,000 in the chief engineer's branch is for surveys of which I have spoken. They are to be made all through the country, and on both coasts, to see in what state our works are, and what will have to be done after the war to make repairs and extensions, and to provide new works.

Mr. MacNICOL: I would understand that to be ordinary, routine, departmental business. I should think the engineers and architects, in the ordinary course of their activities, would consider what repairs or additions should be made to buildings, either now or after the war. I cannot understand why we are discussing this programme under a war appropriation measure. I can understand that the minister's department has little or nothing to do with post-war reconstruction because, according to the announcement by the Prime Minister, a new department to be known as the reconstruction department is to be set up. It will be the business of that new department to provide employment in a large reconstruction scheme. I should think the activities of the minister's department would be confined to regular public buildings, and his department would do as it has been doing for years. Why are these two items in the war estimates?

Mr. FOURNIER (Hull): Perhaps I did not make myself clear. Every year since the beginning of the war the budget of this department has been decreasing. We have not done the work on our own buildings and works that we do in ordinary, normal times. The cut has been made because of the war. The reason given me as to why the amount appears here, instead of in the civil estimates, is that we say the work is brought about by war conditions, and because we have not had the amount required to do the necessary work during the war. Year in and year out, since the war began, we have cut our civil estimates, and they have now reached a point where they are about half of what they were before the war.

Mr. MacNICOL: In reality these two post-war items have nothing to do with the war appropriation measure, or the conduct of the war.

Mr. FOURNIER (Hull): They may be applied to works which will be useful to the war.

Mr. ISNOR: Would this item take care of projects such as the strait of Canso causeway, and the tunnel between the mainland of Nova Scotia and Prince Edward Island?

Mr. FOURNIER (Hull): I understand that those matters would come under the Department of Transport, rather than the Department of Public Works.

Mr. ISNOR: That is what I wanted to know. The transport items have not been dealt with.

Mr. GRAYDON: I fancy that there are a number of hon. members who would like to know about that. They are waiting for transport.

Mr. ISNOR: It has been suggested by an hon. member that I should appeal to the Minister of Public Works to make representations on behalf of the people in the eastern section of our country to the Minister of Transport to have this done at as early a date as possible.

Mr. GRAYDON: Is he so hard to approach as all that?

Mr. ISNOR: He is fairly reasonable and willing to undertake anything that is presented to him, but sometimes he cannot see things just the way we would like him to. We will continue to make the representations we have made in the past.

Mr. GRAYDON: You might call in the Minister of National Defence for Naval Services as well.

Mr. ISNOR: He is always willing to help that section of Canada.

Mr. MACDONALD (Kingston City): "Ready, aye ready," is my motto.

Mr. DIEFENBAKER: I think this item requires further explanation by the minister. Possibly the best way to get this explanation is to ask him if during peace time it was customary to retain the services of architects and engineers apart from those employed by the Department of Public Works.

Mr. FOURNIER (Hull): I understand that temporary employees were engaged to meet the requirements of the department. Because of war conditions and lack of funds a number of buildings have deteriorated, and it was thought that we should survey every property and prepare plans so that we would be ready after the war as soon as parliament voted the necessary amounts, to do these repairs or extensions.

Mr. DIEFENBAKER: Then I understand that the architects and engineers employed by the Department of Public Works do not have the work to do now that they had before the war?

Mr. FOURNIER (Hull): Do not change what I have said. There are three different types of work carried on by my department. First, there are the ordinary works. We did not get the vote we were accustomed to getting for this work. Then we have war work, and then we do work for other departments, such as pensions and national health and munitions and supply. Those three types of work come under the chief architect's branch and the chief engineer's branch.

Mr. ROSS (St. Paul's): Does the department employ outside engineers as well? Some time ago the minister was in Toronto and he tried to give us some idea of what was to take place after the war. I do not think he told us very much about what the post-war planning was. As I understand it, this item is to take the place of estimates which were not granted during the war. It is simply a civil estimate and it should not be here at all.

Mr. FOURNIER (Hull): When I was in Toronto I did not speak so much of post-war planning; I was asking the people of Toronto to tell me about their post-war plans so that the department would know what was planned for Toronto, or for any other section of the country.

Mr. ROSS (St. Paul's): As a result of the trip the minister made to Toronto, perhaps he can tell us something about the suggestions which were made by various members from that city and by people of Toronto. Is it intended to do anything constructive as far as our city is concerned?

The CHAIRMAN: I do not think a report by the minister about Toronto has anything to do with the item.

Mr. COLDWELL: Does this item include repairs that have been deferred as well as plans for post-war projects other than repairs or extensions of existing buildings, as has been suggested by the senior member for Halifax?

Mr. FOURNIER (Hull): Not under this item.

Mr. COLDWELL: Is that being done under any other item?

Mr. FOURNIER (Hull): There are people working in the department all the year round on plans and specifications for different works. We do not have a special item for that, but we are receiving reports from our district engineers all over the country and the work on those reports is carried on at the head office in Ottawa. This item is to cover the preparation of plans for repairs or extensions or the construction of new buildings which are needed and which were not carried on because of the war. We have not received from parliament the money necessary to keep these buildings in the state of repair in which we thought they should be kept, and we thought that now was the time to make a general survey and prepare plans so that we could go ahead as soon after the war as parliament might grant us the money.

Mr. COLDWELL: Should this item not be in the civil estimates? It has to do with ordinary repairs and extensions of buildings, work which has been normally deferred. It seems to me it is entirely misleading to the committee to have this item in these estimates. When I saw it I was pleased because I thought the government was prepared to do something concrete, even though it was in a small way. I have been looking for something of this sort for a long time and I thought this was at least something that was being done to prepare a programme of work for the post-war period.

Mr. GRAYDON: You are too innocent.

Mr. COLDWELL: I usually am quite innocent. We now find that this is an ordinary civil estimate and it does not give the right impression to the committee. The minister cannot be particularly busy with his ordinary civil public works just now and I had hoped that he would be devoting some

time to preparing a real programme for post-war development. The Canso causeway was mentioned.

Mr. FOURNIER (Hull): That would not come under public works.

Mr. COLDWELL: There is to be a provincial election in Saskatchewan and a bridge has been promised across the Saskatchewan river in my constituency. I used to raise the question of this bridge with the former government member, Mr. Bothwell, prior to the war, and the predecessors of the minister always promised that it would be considered.

Mr. FOURNIER (Hull): It could be considered under this item.

Mr. COLDWELL: It is being considered under this item?

Mr. FOURNIER (Hull): It could be.

Mr. COLDWELL: My hope was that projects of that description would be considered under this item.

Mr. FOURNIER (Hull): Every hon. member wants some project considered under this vote.

Mr. COLDWELL: I am not asking for any special consideration; I am simply saying that projects of this description ought to be considered now. Projects that are deserving, not just because a particular member sits for a particular constituency, should be considered in time of war for completion in the post-war period in order to give employment, assist industry and all the rest of it. I am disappointed that the minister is not doing what I thought he was doing. I wish to express my regret. I think we should see to it that this item is transferred from where it is now to the civil estimates.

Mr. FOURNIER (Hull): The hon. member was absent from the committee when I tried to explain to the best of my ability why this item had been put in the war estimates.

Mr. COLDWELL: No one understood it; that is why I ask the question.

Mr. FOURNIER (Hull): The other hon. members stopped talking after I explained and my hon. friend is the only one who has raised it again.

Mr. GRAYDON: For a different reason.

Mr. COLDWELL: I came in with reinforcements.

Mr. FOURNIER (Hull): The work we shall be doing under this item has not been done hitherto because of the war. Any project that is under federal jurisdiction could be studied, of course, but I would not want to promise that we will study projects for dance halls and things of that kind all over the country.

Mr. COLDWELL: Nobody suggested dance halls, surely?

Mr. FOURNIER (Hull): That was suggested while the hon. member was out of the house.

Mr. COLDWELL: Community halls.

Mr. TUSTIN: This item reads "post-war construction programme". I listened attentively to the minister's explanation, and I gathered that what is to be done under this item is to make a survey of present buildings that may need to be renovated after the war. The minister has explained to us several times that his estimates have been cut almost in half within the last three or four years and that he has not been able to keep up the public buildings. To be quite clear about the matter I would ask the minister to state whether this is a post-war construction programme or just a survey of the buildings that may need to be renovated after the war. If I understood the minister aright, the details given on this page are entirely wrong. If the details are correct. I cannot understand the minister's explanation.

Mr. FOURNIER (Hull): If the hon. member would read the item as post-war construction programme with respect to our own property or public works, that is all that it means. The hon. member for Lake Centre asked if this was part of a large reconstruction programme after the war and I said, no; that it was a programme applying only to our own public buildings.

Mr. ROSS (St. Paul's): Does it include harbours and things like that?

Mr. FOURNIER (Hull): Yes.

Mr. MARSHALL: I find that the civil estimates of the chief engineer's branch have been steadily increasing since the beginning of the war. For instance, in 1942-43 they were $659,000, and in 1943-44—

The CHAIRMAN: Order. We are dealing with the war appropriation, not with civil estimates. There will be an opportunity to discuss them when civil estimates are before the committee.

Mr. MARSHALL: I am quite aware of that, Mr. Chairman. But the impression was being left with the committee that the majority of this vote has nothing to do with the chief engineer's branch.

Item agreed to.

Sundry services, $2,000.

Mr. MacNICOL: Following the item just passed, the next item reads, "Seymour Narrows, B.C.—removal Ripple Rocks".

The CHAIRMAN: There is a summary of the items before the committee.

Mr. FOURNIER (Hull): Last year we had a vote of $200,000 for the removal of Ripple Rocks. This year we have no item for that purpose but are considering the matter.

Item agreed to.

Telegraph branch—
Ottawa—telephone service, $390,000.

Mr. MacNICOL: What does this cover?

Mr. FOURNIER (Hull): It covers service to 6,221 telephones which have been installed for the war departments since the war.

Mr. MacNICOL: And long distance charges?

Mr. FOURNIER (Hull): No. It covers a charge of $1.33 a month for each telephone, plus a mileage rate for telephone lines, and certain fixed charges which have been approved by the board of transport commissioners, all new equipment required to operate government phones, as well as the salaries of the additional operators required.

Item agreed to.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

DEPARTMENT OF TRANSPORT

Departmental administration, $26,960.

Mr. GRAYDON: I take this opportunity, at the opening of the minister's estimates under the war appropriation resolution, to enlarge upon a matter I brought up at a similar stage of the session last year. I rise to say a word about the employees of our railway transportation systems, and I do so because, during this war time, the strain, the stress and the pressure which have been placed upon the two major railway systems have been most extraordinary. I think the committee ought to take these facts into consideration. Take the question of passenger traffic alone. If the minister will recall, last year I put on the record the figures of passenger traffic, showing that in 1939, the year the war broke out, the railways of Canada carried 17,000,000 passengers, which figure had risen in 1942, the year prior to my speaking on the matter in this house, to 42,000,000. In 1943 that figure had risen still farther to 52,000,000 persons carried on the railways in Canada. I am not sure, but I believe there was at the same time a substantial decrease in the number of employees of both systems. Previously they had carried 17,000,000 persons and that number had been trebled in the last year. That alone would indicate how the railways, and particularly their employees, have measured up to the challenge which the war has presented to the transportation industry of Canada.

Added to the passenger position, I had the figures checked with regard to freight, and while figures are not always interesting, these particular figures should be borne in mind by the committee. In the year the war broke out the railways carried 69,000,000 tons of freight. By 1942 the freight haulage had risen to 107,000,000 tons and last year it had increased still farther to 133,000,000. In other words, the quantity had doubled from 1939.

Those of us who have had the privilege of travelling to any great extent on the passenger trains of Canada will realize how little, if at all—and I emphasize that qualification—the convenience of travellers, and their comfort, have been interfered with during this strenuous war-time period. That is due largely if not entirely to the type of employees, who, as I have said, have measured up so well to the challenge thrown out to them by the war.

May I say a word also with regard to the enlistments from among the employees of the railways. I also put certain figures on the record last year in this connection. There have been substantial increases since. The latest figures show an enlistment percentage which is extremely high. They show that from eighteen to twenty per cent of the employees of both roads have enlisted for active service in Canada's armed forces. The enlistments to date from the Canadian National Railways total 18,434, and from the Canadian Pacific Railway Company, 18,726, so that well over 37,000 of our railway employees are in the services.

Mr. SLAGHT: And the Temiskaming and Northern Ontario will compare favourably as well.

Mr. GRAYDON: I am not quite as well versed with respect to the T. and N.O., but my information would bear out what the hon. gentleman has said in that regard. That road will compare favourably indeed with any others in Canada. I say, therefore, that these matters, in the general discussion which will take place on these estimates, must not be lost sight of because they show that the railway employees of Canada have played a magnificent part in this war and have made a splendid contribution. It is a contribution

which Canadians would expect from the men and women engaged in our transportation service.

In concluding my remarks, I take a little pride in the fact that the first job I ever had was with one of our railway systems in western Canada, and I think I can say something about railway employees with perhaps a little more emphasis and somewhat more from the heart than others may be able to do. They have played a part in the welfare of the country which perhaps Canadians do not generally recognize. We do not always express our appreciation of and gratitude for the splendid service which these employees have rendered, and therefore I take this opportunity, at this stage of the debate, to make this reference to a section of the community who, in my opinion, are entitled to the thanks of this committee, of the House of Commons and of the country.

Mr. COLDWELL: I, too, would say something about the contribution which the railways have made during this time of war. I suppose we from western Canada use these lines more than most other people in the country, and I may say that I have relied on railways all my life for very much that I have had to do. For some years, when I was a boy, I took the train early in the morning to go to school forty miles away and I came back the same way at night. The attitude of some people and of this house toward the railway systems of Canada is altogether different from what it was a few years ago. We used to hear a great deal of criticism of the Canadian National Railways. We were told that we had too many lines of railways, that the National railway was running the country, that they were too extensive, and so on. To-day, we can ask ourselves the question, where would we have been during this war had we not had these transcontinental systems? I am sure the Canadian Pacific Railway company would have given a great deal in 1941 and 1942 to have the rails which were pulled up in northern Ontario during the depression years, because they would have assisted in the carriage of the very heavy traffic across the country.

We should not lose sight of the fact that, after all, Canada as a nation could not exist without those bands of steel which unite the country from one end to the other. Before the war the railways were in danger of losing a great deal of profitable revenue by the competition of trucks and other forms of transportation. I have always believed that our transportation system ought to be considered as one public service and integrated as an entity. Instead of trucks competing with the railways for the profitable freight and express, the better traffic, they ought to be complementary or supplementary to the railway systems. There is plenty of room for trucks and buses to serve areas in this country where there is no railway transportation or where the transportation on the railways is inadequate.

I think the committee will do well at this time to express the gratitude we all feel to the railway systems, and particularly to the men who have done this remarkable job. I have met railway men during this war who have travelled thousands of miles every month and who from time to time thought they were going to get a good night's rest but who have been called to take out another train of supplies that were needed for the war effort. Those of us who have been in other countries since the war broke out and have seen the manner in which the people of those countries have to travel in war time realize that we in this dominion do indeed travel in luxury on our main lines of railway. Even in the great country to the south of us, the United States, I have found that the dining-car service there does not compare with ours. The service in our country far excels any dining-car service that I have seen even on the very best lines in the United States, lines such as the one running between New York and Washington. I think the tribute which was paid by the leader of the opposition a few moments ago to the manner in which the railways have been operated and the manner in which the men have given service to the communities at this time should be endorsed by everyone. We have men of all types, races and colours on our railways, and from the porters on the sleeping-cars to the men on the front of the train operating the engine I think we can say that they have done a truly remarkable job, a most wonderful contribution to the effort of this country during this period of war.

Mr. ROSS (Souris): I should like to endorse the remarks made by the two previous speakers as to the splendid job that has been done by our railway systems during the past four years.

I wish to ask the minister a question concerning the purchase of certain property by his department. I refer to property bought in 1942 for the Gimli airport, approximately sixty miles north of Winnipeg. The original purchase price paid by the settlers for that entire block of land was $11,515. The total 1942 municipal assessment value of land was $3,815, and the assessment of buildings, $3,420, making a total assessment of $7,235. In 1942, the government, through the transport department, paid $52,150 for the 724 acres, or an average

of $72 an acre for the land and whatever buildings were thereon. This airport land cost the vendors originally an average of $15.99 an acre. One vendor bought his property in 1905, 120 acres, for $2,800, or $23 and some cents an acre. The year next furthest back was 1909 when 160 acres were purchased for $1,300, or $8.50 an acre. The next is 1910 when some 160 acres were bought for $1,000, or $6.25 an acre. I think, all told, there were some thirteen parcels in this purchase. The first one was purchased from one Frazier, fifteen acres, the land being assessed for $80 and buildings for $70; the value at that time was $700. The government paid $1,500. Number 3 was the Schnerch property, forty-seven acres of land assessed at $250. There were no buildings on the land. The land was purchased on November 18, 1921, for $850, and the government paid $2,450. Number 2 was purchased from Julius and Mary Solomon, eighteen acres of land assessed at $100 and buildings assessed at $90. They purchased it on December 1, 1921, for $700, and the government paid $2,000.

Number 4 was purchased from Marks Steblinski, eighty acres of land assessed for $400 and buildings for $160. The registered deed was issued on February 3, 1937. He paid $2,000 for this parcel, and the government paid $6,000 for it. The cottage which was on the land was moved off the property into the village of Gimli and is now occupied by the original owners. Parcels Nos. 5 and 6 were purchased from Michael and William Hykanay, eighty acres of land assessed for $400 and the buildings assessed for $800. This land was purchased on July 26, 1926, for $1,400. The government paid $7,500. Parcels Nos. 7 and 8 were bought from Michael and George Wawrykow, 160 acres of land assessed for $800 and the buildings assessed for $800. This land was purchased in 1918 for $1,800 in United States funds, and the government paid $11,200 for this parcel.

Parcel No. 9 was bought from Mike Yurekchuck, 159 acres assessed for $800 and the buildings assessed for $800. This was acquired by deed on March 31, 1910, for $1,000. The government paid $10,800. Parcels Nos. 10 and 11 consisted of a community hall and 1⅛ acres of land. They do not appear in this statement.

Parcel No. 12 was bought from Wasyl Ewanchuk, 80 acres and 160 acres assessed for $830 and the buildings for $600. One hundred and sixty acres were purchased by the vendor in 1909 for $1,200. The government paid $7,100 for eighty acres of this land. Parcel No. 13 was bought from Gudjou Narfason, 120 acres of land assessed for $650 —there were no buildings on it. This land was purchased for $1,865, and the government bought eighty acres of it and paid $3,900.

During the same year there was much better agricultural land with considerably better types of buildings on it purchased in southwestern Manitoba at a much lower price. This land was much closer to the main line of railway and assessed several times higher in value. This land was taken over by the government for an airport at much less than one-half of the price per acre of the Gimli airport, and the owners of the property did not wish to part with it at that time.

Then we have the case of the Netley airport, twenty miles from Gimli. That land was acquired, including buildings and compensation, for an average of $30.75 an acre, land which, to say the least, was comparable with the Gimli land.

There was some controversy during the fall of 1942 over this Gimli property when a lengthy statement was made by the then representative of the riding, an hon. member who was in the cabinet, the Hon. Mr. Thorson. He hinted that this deal must have been all right because it had been valued by one J. J. Swanson, who had been a candidate of the Cooperative Commonwealth Federation for a seat in parliament at one time; also that one of the properties purchased was owned by the family of an individual who is now a C.C.F. member of the legislative assembly of Manitoba. I do not know why the then minister should have made that statement; I do not see that it had any bearing at all. I think it is distinctly the responsibility of the government. About this time or during the controversy the present Minister of Transport was reported in the press to have stated that everything was perfectly in order in this deal because the original owners had paid $40 an acre for the land. I have already cited to you, Mr. Chairman, and it can be borne out by the land titles office in Manitoba, the cost of this land. The original cost to the vendors was, on the average, $15.99 an acre. Surely the government have some system of checking on these property deals. This one happens to be in my province. I remember an hon. member raising a question in the house some time ago as to the purchase of property in the province of Quebec, at, I think, Granby. He pointed out that a property there had been offered to the government gratis for the establishment of an industry; that a man had purchased the land for $100 an acre and later had sold part of the poorer land for $400 an acre to the Department of Munitions and Supply. I am just

giving this as another example, for I am rather concerned, as are many people in my part of the country, over the wide variations in the amounts that have been paid by the government for land of the same type during these war years. I trust the minister can tell us what system they follow in making these purchases or in agreeing upon values which will be at least in the interests of the taxpayers.

Hon. J. E. MICHAUD (Minister of Transport): I do not know why the hon. member should bring up the question of the Gimli airport now—

Mr. ROSS (Souris): I can tell the minister.

Mr. MICHAUD: —because it was gone into quite fully about two years ago. Possibly the hon. member is under the impression that the work was done by employees of the Department of Transport, and that this item for administration includes part of the salaries of these people, as a result of which he feels at liberty to discuss this matter now. For his information I may state that I have nothing before me in regard to the purchase of that land, because nothing in the item under consideration has any connection with the payment of any of the employees who did that work. That land was purchased for the Department of Munitions and Supply, which had to do the work and whose responsibility it was to buy land and equip airports for the Department of National Defence for Air. The services of the land valuators of the Canadian National Railways were employed in connection with the purchase of all property required for war purposes.

Mr. HANSON (York-Sunbury): For war purposes?

Mr. MICHAUD: Yes, and in peace time as well, but we are now speaking of war expenditures.

Mr. HANSON (York-Sunbury): Was that true of the Winter club in Montreal? Did they value that property?

Mr. MICHAUD: No; that was the air force. The question of the Gimli airport was aired at that time. My only connection with it arose from the fact that for the time being I happened to be acting for my colleague, who was out of the country for a few weeks. That was the only connection the Department of Transport had, as such, with the purchase or valuation of land in connection with the Gimli airport. If I remember correctly, the services of two land valuators, located in Winnipeg, of the western division of the Canadian National Railways were employed; and because there was some little criticism of the work done by these people some so-called independent valuators—I think the name of the company was Swanson—were asked to revise and check up on the work of the valuators of the railway company. There is nothing in this item that has any connection with the salaries of the officers of the department who had any connection with the purchase of that land.

Mr. HOWE: Since I am the minister who was responsible for the purchase of the land for the Gimli airport I should like to make a few comments. It is strange, I think, that my hon. friend should have waited until this occasion to bring up an item which has been before the house several times. I have been prepared to discuss the Gimli airport on a number of occasions; it has been threatened as a subject of discussion here for years. The purchase was discussed in a Winnipeg newspaper, I think at least two years ago; the curbstone opinions of a number of Winnipeg people were published in the newspaper at that time, though I do not believe any of them had ever examined the property. Tonight we are told what the purchase price of the property was in 1910. May I ask my hon. friend if the purchase price in 1910 would be any guide as to the selling price in 1942?

Mr. HANSON (York-Sunbury): No; but in law it is one criterion.

Mr. HOWE: That is, raw land at that time is the same as cultivated land thirty years later?

Mr. ROSS (Souris): Mr. Chairman—

Mr. HOWE: Oh, sit down.

Mr. ROSS (Souris): You asked me a question, and I am going to answer it.

The CHAIRMAN: The minister has the floor. The hon. gentleman will have a chance to answer the question later, if he wishes to do so.

Mr. ROSS (Souris): Both ministers have belittled me for bringing up this matter at this stage of the proceedings. I wish to make it quite clear that one of the last items discussed in this house last session was in connection with the war expenditures committee. At that time I attempted to discuss this matter and was ruled out of order by Mr. Speaker, who did not quote any particular rule or reason for doing so. I had no other opportunity to discuss the situation. This is not such an ancient matter as the minister would have the people believe. This airport was opened only last year, and I have had no other opportunity to discuss the matter without being ruled out

of order again. The property was purchased by the Department of Transport, and I am sure I am perfectly in order in discussing it under this item. If I had not done so it would have been buried again.

Mr. HOWE: We discussed the airport estimates of the Department of Munitions and Supply some three weeks ago, and we also discussed similar estimates a year ago.

Mr. ROSS (Souris): When was this property purchased?

Mr. HOWE: It was purchased in 1941, I think.

Mr. ROSS (Souris): By the transport department?

Mr. HOWE: It was purchased by the Department of Munitions and Supply.

Mr. ROSS (Souris): It was purchased in 1942; the order was issued on June 10 of that year, and it was purchased by the Department of Transport.

Mr. HOWE: The position in regard to the Gimli airport is simply this. The Department of Munitions and Supply received a requisition from the Royal Canadian Air Force for a bombing and gunnery school, which included an airport and a bombing and gunnery range. The dimensions of the bombing and gunnery range, as I remember them, were fifteen miles by eight miles. In order to acquire a range of that kind reasonably, it is necessary to use a body of water. There are two other bombing and gunnery schools in that area, which had used the two available lakes of the size required for a bombing and gunnery range. The only lake with an area large enough and suitable for the purpose was lake Gimli. Therefore it was necessary to establish the airport near lake Gimli. A thorough survey of the area was made, and it was decided that the cultivated land, adjacent to the village of Gimli, which was ultimately purchased, was by far the most suitable land for the purpose. It was estimated that the cost of clearing raw land for this purpose would be $100 an acre more than the cost of using cultivated land. Options were taken in the area, and the department was astonished at the price. Our surveyors were asked to go back and try again. Once more they returned and said that this area was infinitely more suitable for the purpose than any other in the vicinity of lake Gimli.

I may add that the purchase was in charge of the lands division of the Canadian National Railways, which has handled all land transactions for the Department of Munitions and Supply since the department was formed. Colonel Clarke, head of that division, was in general charge, while the western representatives of the railway in the land department were in immediate charge. Colonel Clarke was asked to get an independent valuation, and he chose the Swanson firm. Colonel Swanson was at that time, or had been very shortly before, president of the Winnipeg real estate board, and, in the opinion of Colonel Clarke, who made the choice, it was a thoroughly reputable firm. It was solely his choice. Colonel Swanson made a detailed valuation. He and his staff spent some time at the site, and submitted a report on values which was considerably in excess of the options that had been taken by Colonel Clarke. A thorough discussion was had. Officers of my department were consulted, and it has been explained to me that the site chosen is made up of highly productive land. It is in a dairying section, and it was pointed out that there was not a mortgage on any piece of land; that all lands were owned debt-free. The farmers were prosperous and doing well, and some of them were extremely reluctant to sell at any price. The owners took the view they were getting on very well, and they wished the Department of Munitions and Supply would go elsewhere for their airport.

Having all these reports before me, and all the information I could obtain, I decided it was better business for the government to pay the price asked than it would be to expropriate, and to leave the fixing of values to the exchequer court. These were small farmers, small holders, men who were being deprived of their source of livelihood and who had to settle elsewhere. It was thought it would be unfair to these small holders to put them to the expense of exchequer court proceedings, and cause delay in payment for the land, payment upon which they must depend to reestablish themselves in other locations.

On the other side it was felt by my officers—an opinion in which I concurred—that after ten per cent was added for forcible taking the chances were that the government would pay more for the land, as a result of an exchequer court finding, than it would pay by accepting the options which had been obtained by Colonel Clark. I may say that it has been our experience that wherever we have submitted the purchase of land to the exchequer court we have paid more for it than the price for which we could have purchased it through direct negotiation. I can give chapter and verse for that, in respect of a considerable number of airport sites which have been acquired by expropriation.

The airport was built. I may say that it was the cheapest airport among the bombing and gunnery schools. Results amply bore out the information given to me that this was very suitable land for an airport. As I have said, I have been prepared on other—and appropriate—occasions, to supply all the information bearing on this airport. I could have given my hon. friend chapter and verse for every parcel of land included in the area.

I do say this: I take full responsibility for the purchase of the Gimli airport. I am willing to appear before any tribunal and justify the purchase. I believe I can bring evidence of responsible people who have had years of training in the purchase of real estate, and who actually went on the site and explored the situation upon which their report was made, sufficient to justify the transaction.

Mr. DORION (Translation): Mr. Chairman, before we start on the detailed examination of the estimates submitted to us by the Minister of Transport (Mr. Michaud), I wish to make a very special appeal to him on behalf of a class of citizens about whom we seldom hear in this house, namely, our college students. I wish to call the minister's attention to them, following some steps that were taken in December last so that they might continue to enjoy the privilege of reduced fares which the railways used to grant them when they went home for the Christmas or summer holidays. Having been advised by many of them at the beginning of December last that such a privilege would no longer be granted, I communicated, in the first place, with Mr. G. A. Brass, chairman of the Canadian Passenger Association, from whom I received the following letter:

December 8, 1943

Dear Sir:

Referring to your telegram of date regarding students' Christmas vacation fares.

As you know, it has heretofore been the practice of the railways to authorize reduced fares during public holiday periods, such as Christmas, New Year, Easter, et cetera, and, as a part of the general public holiday arrangement, to also accord to students and teachers a longer period of sale and return limit to coincide with the period of school closing.

However, under the provisions of orders in council P.C. 2557 and P.C. 6372, the railways are prohibited from authorizing any reduced fares for public holidays. . . . Consequently, the customary holiday fares for the general public, including students, during the Christmas and New Year holidays will not be authorized this year.

I regret that, under these circumstances, we shall be unable to make any exception in the case of the students referred to.

Yours truly,

J. A. Brass,
Chairman.

Mr. Chairman, I believe the Minister of Transport should, before the end of the present school term, see to it that these orders in council are amended to enable these college students to benefit from the reductions which they enjoyed in the past. And in support of this appeal, I feel that I cannot do better than to read excerpts from three letters which I received last December and which give a true picture of the plight of our college students. I quote the following from one dated December 4, 1943, which I received from Mr. Paul Emile Tremblay, of the Seminary of Chicoutimi:

We, of Charlevoix-Saguenay, have learned with considerable dismay of this extraordinary announcement. Indeed most of us belong to large families who are forced to make sacrifices in order to enable one of their members to complete his education.

We cannot afford to pay twenty-five, thirty-five or even fifty dollars (in the case of those who live on the north shore) for two weeks' holidays. If we were earning money, the situation might be different, but we must face facts. This is why, to-day, more than seventy-five young men from Charlevoix-Saguenay request your help.

I have received another, bearing the date of December 4, 1943, and signed by Mr. Saül Otis, of the Seminary of Chicoutimi. It says in part:

Consider my case. I live at Baie-Saint-Paul, which is quite a distance. This trip would call for an expenditure of about $20 for fare alone, and as I have a brother with me, a total of $40 would be required. Do you think it is fair to have us spend $40 just for a very short stay in our family?

And, finally, I shall read the following excerpt from a letter of December 5, 1943, signed by Mr. Alphée Lessard:

However, unless I can get a reduction, I shall be compelled to spend the holiday season within the four walls of my seminary.

I believe, Mr. Chairman, that the Minister of Transport should listen to the appeals of these young people and take the measures necessary to have them enjoy, as I said before, the rate reductions to which they have been accustomed. When all is told, we should not forget that most of these students are members of large and poor families and I feel that the Minister of Transport would deserve commendation if he had this order in council amended.

(Text)

Mr. GOLDING: The last time this question of the Gimli airport was raised by the hon. member for Souris, namely the occasion when the war expenditures committee was under discussion, he promised he would prove to the house that this land cost the department $72 an acre. At that time I said that that was not true.

Mr. ROSS (Souris): Land and buildings.

Mr. GOLDING: The hon. member did not say land and buildings.

Mr. ROSS (Souris): Read the record tomorrow and see.

Mr. GOLDING: If that is true, I have no more to say.

Mr. HANSON (York-Sunbury): That may be a good idea.

Mr. GOLDING: The hon. member for York-Sunbury knows something about taking land, and I am sure he will appreciate that the report of the department states that the value of the land was $45.60 an acre; the buildings were valued at an average of $20 an acre, and forced vacating was valued at ten per cent, or $6.40, which made a total of $72. The Winnipeg *Tribune* compared the purchase of this land at Gimli with the purchase of land at Carberry, but the fact is that at Carberry no buildings were involved and the average price paid per acre was $43. I refer the hon. member to the independent valuator's report on the land at Gimli. There was an alfalfa crop valued at $15 an acre, and other grain crops which were valued at so much an acre, the total valuation, all included, being an average of $72 an acre. But it certainly did not cost $72 an acre for the land alone.

If my hon. friend says that he did not say that, I am not going to raise any further point with him. But it has been said repeatedly that the land at Gimli cost $72, while the land at Carberry cost $43, but there is no comparison between the two. There were thirteen properties and nine homesteads involved at Gimli, but in the other case it was all clear field. I think everybody in the house will appreciate the difference.

The CHAIRMAN: I believe hon. members will agree that this discussion should be terminated now, since it has nothing to do with the item before the committee.

Mr. SENN: It should have been terminated long ago.

The CHAIRMAN: It should have been ruled out of order when the hon. member for Souris first made his statement.

[Mr. Dorion.]

Mr. HANSON (York-Sunbury): On the point of order, if we cannot discuss anything relating to this department under the item dealing with administration, we might as well fold up.

Mr. HOWE: It is not in this department.

The CHAIRMAN: It comes under the Department of Munitions and Supply and we are now discussing the Department of Transport.

Mr. RALSTON: I think the hon. member completely misunderstands the purpose of this item. It has nothing to do with the Gimli airport. As the minister has explained already, the officials concerned with this item of administration had no part in the purchase of the Gimli airport. That was purchased by the Department of Munitions and Supply.

May I just say this to the committee. I have sat here for half an hour and have listened to a discussion about the Gimli airport. I did not say anything because I did not want to appear to be stopping debate all the time. This afternoon the leader of the opposition hoped that we could increase the tempo of the business of the house. I submit to hon. members, and to the hon. member for Souris particularly who seems anxious to rise in his place again, that there is a time and place to discuss this item and he will have full opportunity to do so when that time arrives. But this is not the time to discuss it, and I submit that it is not fair for him to press this discussion further in view of the many items that we have to take up under this war appropriation bill. I am taking the point of order that this discussion is entirely out of order and I submit that it should cease.

Mr. ROSS (Souris): On the point of order, with all due deference to the minister who is leading the government may I say that this property was not purchased, as he says, by the Department of Munitions and Supply. I have all the detailed documents in the return and they show that the papers were signed by officials of the Department of Transport. If the minister can show me where I would be more in order to discuss this matter than under this present item, I should like to know.

Mr. RALSTON: I would suggest to my hon. friend the public accounts committee which is sitting. He has full opportunity to go before that committee any time he likes.

Mr. HANSON (York-Sunbury): What department purchased the land?

Mr. RALSTON: The minister has said already that the officials of the Department

of Transport had nothing to do with that matter. That was done by the Department of Munitions and Supply.

Mr. HANSON (York-Sunbury): The return shows otherwise.

Mr. ROSS (Souris): Still on the point of order, I have followed this matter for some time and the Minister of Transport and Minister of Munitions and Supply took me to task for waiting until this late date. I pointed out last year that this airport had only been opened during the past year. The purchase was made in 1942, and I waited purposely for the setting up of the war expenditures committee in order to discuss this matter. That was one of the last items of business in the dying days of 1943 and everybody was—

Mr. RALSTON: "Fed up" is the word.

Mr. ROSS (Souris): I was ruled out of order and I had no opportunity of rising at that time. I have been careful to wait until I would be in order, until I would not be ruled out of order. I certainly think I am in order now. I have the documents that were brought down by the Department of Transport and I do not think the minister can deny that this property was purchased through his department. I maintain that I am strictly in order. In answer to the hon. member for Huron-Perth (Mr. Golding), I would say that I have an article signed by an official of the department, Mr. J. H. Murphy, wherein he points out that prices obtaining here were somewhat higher than those paid for other sites in Manitoba. I did not refer to Carberry; I referred to a field in my own constituency which was purchased.

This was some of the best agricultural land in Manitoba. The owner did not want to sell at any price, but pressure was put on by the government and they took over the land at less than half the figure which was paid at Gimli. This was much better agricultural land than could be found in the interlake district of Manitoba. I want to find out from the minister if they do not have some system of fixing values in connection with these purchases. I am willing to take any agricultural expert in Canada and show him the land they purchased in my constituency, and I know he will say it is more valuable than the land at Gimli.

Mr. HOWE: Just to clear up the point that has been raised about responsibility, it is the responsibility of the Department of Munitions and Supply to carry out all defence construction as well as to do the purchasing for the armed forces. When I left the Department of Transport to take over the Department of Munitions and Supply in April, 1940, I arranged with the then minister and with the Prime Minister that I would have the use of the experts on airport construction of the Department of Transport in carrying out my new responsibilities. As a practical way of making the arrangement, I took over under my responsibility the air service branch of the Department of Transport, together with a small part of the time of the deputy minister of transport, who had formerly had jurisdiction over that branch. I am the minister responsible in this case, and this expenditure was an expenditure of the Department of Munitions and Supply. I should like to make it clear that I take full responsibility for the transaction.

Mr. ROY (Translation): Mr. Chairman, I wish to join the hon. member for Charlevoix-Saguenay (Mr. Dorion) to support the request he directed a few moments ago to the Minister of Transport (Mr. Michaud) on behalf of our students who have been deprived of the reduced fare privilege which they used to enjoy as regards railway travel. I shall not repeat the arguments advanced by the hon. member for Charlevoix-Saguenay. Like him, I had, at the request of a number of people from my district, taken the matter up with Mr. Brass, and I received from him a letter quite similar to the one the hon. member for Charlevoix-Saguenay has read a few moments ago.

However, I should like to point out another feature of that matter. If the government has taken that step it is certainly not for the mere satisfaction of depriving the people of a privilege they had long enjoyed, and whose purpose was to help our young people to obtain some education. I think the motive behind the order in council which cancelled the reduced fares granted to students in the past was to relieve traffic congestion on the railways, especially during the Christmas, New Year and Easter holidays.

However, last winter, at least in regard to the Gaspé Seminary where I made enquiries, this measure proved itself unavailing. Indeed, every pupil who had planned, as in the past, to spend the holiday season with his family, went home as usual. Therefore, the object of the order, which was to relieve traffic at that particular season of the year, by curtailing travelling on the part of students of seminaries, colleges or universities, seems to have failed utterly.

This is the point to which I desire to call the attention of the Minister of Transport. If

the minister will take the trouble of making enquiries from various educational institutions, and especially from those which are patronized by pupils who come from distant points and who must, of necessity, travel by train, he will find, as I have said a moment ago, that students travel as usual and that this order has failed to attain its purpose. If he finds that such is the case, he will undoubtedly agree to have, as in the past, a reduced rate granted students.

Mr. MICHAUD (Translation): No one was more aggrieved than I at the treatment meted out to university and college students during the last holiday season. The hon. members who have just made requests on behalf of students, seem to believe that the minister enjoys the privilege of granting fare reductions on the railways. If they entertain such a delusion, let me tell them that the minister does not enjoy among his prerogatives that of granting reduced fares or any transportation privileges on the railways, whether the Canadian National or any other. The conditions under which railway transportation in Canada is regulated are determined by the Canadian Railway Act. Ever since 1918, pupils, students, teachers, have never enjoyed reduced fares as such on the railways. These special privileges have been abolished since the winter of 1918, when the Railway Act was amended. Since 1931, the railway association had granted them the privilege of reduced fares enjoyed by other travellers in connection with excursions or on week-ends. In other words, students, professors and teachers were assimilated to other citizens of the country who could avail themselves of reduced transportation fares on week-ends and on certain holidays: Christmas, Easter and All Saints' Day.

Last winter, the transport controller, pursuant to the powers vested in him, decided to abolish all reduced railway fares and, by the same fact, the students, pupils and teachers were deprived of the rights they had been enjoying as citizens of Canada. Under the Railway Act as it now stands, it is impossible to grant special fares to students and teachers as such. Therefore, we have not been able to acquiesce to the urgent requests of parents, college presidents, university rectors, religious institution superiors of the province of Quebec and other parts of the country, who asked that reduced fares be granted them this year for the Christmas, New Year's and Easter holidays.

You may be convinced that we have endeavoured, by every possible means, to discover some loop hole in the act which would allow us to take appropriate steps short of amending the Railway Act. The legal advisers of both the Department of Transport and the Canadian railways have clearly indicated that it was impossible to make an exception in favour of students. As long as the Railway Act remains unamended for the purpose of granting special privileges to students and as long as the order cancelling all permits or reduced transportation fares for week-ends applies to the general public, we shall have to deplore the impossibility of granting the numerous requests received from students, teachers, both male and female, as well as parents.

Mr. HANSON (York-Sunbury): Was the lake Utopia training field purchased by the minister's department or by which department?

Mr. MICHAUD: I do not know.

Mr. HANSON (York-Sunbury): I understand that it is not settled for yet. Did the minister's department or did the Minister of Munitions and Supply, acting in his dual capacity as he often does, purchase the Pennfield airport, or how was that purchased?

Mr. MICHAUD: By Munitions and Supply.

Mr. HANSON (York-Sunbury): Through the hon. member for Port Arthur as minister?

Mr. MICHAUD: Yes.

Mr. HANSON (York-Sunbury): Then Tracadie. Who purchased the artillery field? I should like to say this. The minister said that in every case the private treaties arranged by the department—

Mr. HOWE: Tracadie was bought by the Department of National Defence.

Mr. RALSTON: So was Utopia.

Mr. HANSON (York-Sunbury): That is quite all right with me. The prices paid at Tracadie were exceedingly low, but the prices paid at Tracadie were ratified by the exchequer court. Certain persons whose land was taken away from them refused to accept the government's offer, and my understanding is that in every case the exchequer court based its decision on the offer made by the crown. The offers were exceedingly low, and I think I know the reason; the land was inferior. But it is not quite fair for the minister to say that the government in all cases made purchases at prices lower than the exchequer court award. Perhaps that is not just what the minister said. He may have said that he or his officials made purchases in all cases lower than the exchequer court award. The

exchequer court awards in the Tracadie artillery cases were exactly on the basis of the government's offers.

While I am speaking, may I say that so far as lands purchased in New Brunswick by officials of the Canadian National Railways are concerned, I think they did a good job and saved the country a lot of money. For the benefit of the Minister of National Defence I suggest that when they come to settle for the blueberry lands in the lake Utopia training area he let the matter go to the exchequer court and allow them to fight it out there, because the differences between the department's ideas on the one hand and the ideas of the proprietor of the blueberry plains, on the other, are so far apart that I do not think a compromise would be possible. But perhaps the minister has nothing to do with lake Utopia.

Item agreed to.

Director of merchant seamen, $1,308,240.

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

Mr. MICHAUD: This is to cover cost of equipping, maintaining, and operating manning pools, merchant seamen's training centres, welfare institutions, facilities for merchant seamen and the extension of existing nautical schools in our principal seaports.

Mr. HANSON (York-Sunbury): Where are those schools?

Mr. MICHAUD: There are two training schools, one at Prescott, Ontario, and one at St. Margaret Bay, Nova Scotia. Then there are manning pools at Halifax, Montreal, Vancouver and Saint John.

Mr. KNOWLES: There is one matter about which I should like to ask the minister a question, and I trust it will not be out of order if I indicate how it has come to my attention. As hon. members may know, I raised in the house some time ago the case of a man discharged from one of the services at his own request and being left without any means of getting home to his place of residence when that is far removed from the point of discharge. The Minister of National Defence was the first to announce that a change had been made with regard to men discharged from the army at their own request, and as I pressed the matter further, an announcement was eventually made by the Minister of National Defence for Naval Services to the effect that men discharged from the navy at their own request would have their travelling expenses paid either to the place of enlistment or to their home. As I indicated at the time, I raised the matter because it was drawn to my attention by a prominent gentleman who is working with the Navy League of Canada at Victoria, British Columbia. He and others have been most appreciative of the new provisions laid down by the government with respect to men in the services, and he has drawn to my attention the fact that there are men in the merchant navy who find themselves in the same situation.

Coming as I do from Winnipeg, which is far from either coast, I have not a great deal of contact with this kind of thing, but knowing the gentleman who has written to me about the matter, I feel that it should be looked into. He has suggested that there are men of the merchant navy who find themselves in the same position as men in the Royal Canadian Navy. For reasons back home it becomes necessary for them to leave the merchant service. The withdrawal is at their own request; but it is owing to conditions beyond their control, and when it comes to finding their way home, it may be a good many thousand miles, they are stranded. May I ask the minister whether something can be done for these men, comparable with what has been done for men in the navy.

Mr. MICHAUD: My hon. friend will understand that merchant seamen, unlike the men in the other services, are not employees of the crown. They are employed by private companies that operate ships and hire them for pay. When, for some reason or another, they abandon their occupation and desire to go home, since they are not the employees of the government, they must pay their fare. All we have to do with merchant seamen is to recruit them. It is a service we have organized during the war to ensure that there are complements of the crews that are needed for the ships that take cargoes overseas from Canada and the moment the seaman signs articles of agreement with an operator of a ship, he ceases to be under our care and he returns home or voluntarily reenters a manning pool.

Mr. KNOWLES: I understood that this would be the situation; but, as the minister points out, the government does spend money

recruiting men in order to make them available. Some of these items relate to manning pools and other services so as to make sure that these men are available, and it seems unfair to the men to absolve the government of all responsibility when the men find themselves in a situation similar to that of men in the armed services.

Every time the question of merchant seamen has come up I have listened with interest to the discussion, and it has seemed to me that these men deserve every possible consideration that can be given them in view of the hazardous as well as the valuable nature of their service. They deserve a consideration comparable in all points with that given men in the other services.

Mr. MICHAUD: I fully subscribe to that. We recognize the valuable services these men are rendering, but our duty is to recruit men to ensure a properly trained crew for any ship that wishes to leave any of our ports. We give them as many benefits as possible while they are in the manning pools waiting for their ships or waiting to be assigned or to be engaged for some voyage overseas on the high seas. But once they sign on a ship they are no longer members of the pool, and until they are through with their contract and come back voluntarily into the pool in order to hire again they are not at all under our control.

Mr. GILLIS: I have spoken several times on the merchant marine. I think they are more or less forgotten, although they are serving in just as important a capacity as the army, the navy or the air force. I believe the minister recognizes that. I hold in my hand a press clipping dated April 3, 1943, which contains a statement of the minister. In that statement he recognizes the importance of the merchant marine, because he said that without the service performed by the merchant marine the rest of our war effort would be totally unavailing. It is a realistic statement, but when it comes to doing something for these people the shoe is on the other foot.

While I was listening to the minster a few moments ago, answering the hon. member for Winnipeg North Centre, I could not help thinking the war effort of the army, navy and air force is a protected one. The only section of the war effort that has received practically none of the benefits that the government are making available to the sections of the service over which they have control is that which is still prosecuted under the system of private enterprise. I refer to the merchant marine. That applies to wages, allowances, rehabilitation benefits and everything that goes to compensate them in a monetary way. But the situation is different with those who are fighting the war in the recognized military services.

One point brought out by the hon. member for Winnipeg North Centre is worthy of consideration. Many of those boys from the prairies and some from Vancouver, after serving on the water for a considerable length of time, are landed in Halifax, or persons from Halifax are landed in Vancouver, and they have to make their way across the country without any assistance in the way of transportation.

Mr. HANSON (York-Sunbury): To get to their homes?

Mr. GILLIS: Yes.

Mr. HANSON (York-Sunbury): Is there not a distressed seamens' fund to take care of that? There has always been provision for that.

Mr. GILLIS: That is charity.

Mr. HANSON (York-Sunbury): No; I would not say that.

Mr. GILLIS: Absolutely.

Mr. HANSON (York-Sunbury): There is a distinction between charity and that. I do not think it is quite charity.

Mr. GILLIS: In my opinion it is. Those men suffer from many disabilities. The dependents of those men who serve in the merchant marine are in an awkward position. If a young man goes into the merchant service and is lost at sea, or if he is on a ship of foreign registry, it takes months for his parents to unravel exactly what happened. You have to check with the Norwegian consul, or the Greek consul, or someone else. If the boy is a Canadian citizen and he volunteers in one of the most essential branches of the service and goes on board a ship of foreign registry, he loses his Canadian citizenship; and the responsibility for checking or compensating the parents for the loss of the son is passed along to another government. That is something which should be corrected.

Mr. MICHAUD: I think my hon. friend has been misinformed if he labours under the impression that because a seaman takes articles on a foreign ship he loses his citizenship. He does not. A seaman who is sick abroad gets twelve weeks' pay, and if he is injured on a boat of Canadian registry he gets compensation.

Mr. GILLIS: In theory.

Mr. MICHAUD: No; in practice.

Mr. GILLIS: Perhaps I have had as much experience in this as any other hon. member of the committee, and I am still tracking down cases that I have had on my hands since 1941. While the minister has a paper organization that sets up the mechanics which he describes, unfortunately when you try to put them into practice and administer the regulations you are up against a different proposition. If you can prove that the boy was lost at sea by enemy action, you are referred by a department of government to the government that has the ship under its registry. You deal for a short time with the British board of trade, and after months and months of correspondence perhaps you get somewhere. While the minister is quite right in theory in saying that the boy does not lose his Canadian citizenship, yet in fact he does. He certainly has not the benefits that the Canadian service personnel receive through the medium of their own government and through the Department of Transport and the Department of National Defence for Naval Services. None of these departments of government in Canada is able to do anything for him until you finally check and prove your case through other governments. What I am arguing about at the present time is the delay and all the unnecessary machinery that applies to Canada nationals serving on ships of foreign registry. I want the minister to answer these questions because I have another question to ask.

There is the matter of insurance. The service personnel in the merchant marine have very little protection. When a Canadian national goes aboard a ship of foreign registry in Canada, or on one of our own Canadian steamship lines, is he protected by insurance of any kind by the company which owns the ship on which he is serving? That is a question which comes up from time to time.

An hon. MEMBER: Yes.

Mr. GILLIS: I have never been able to prove that. I have a dozen cases.

An hon. MEMBER: He is protected on lake steamers.

Mr. GILLIS: That may be so on lake steamers, but I am talking about ocean-going ships.

Mr. MICHAUD: Under the provincial laws of all the provinces there is compensation on inland waters and on coastal waters.

Mr. HANSON (York-Sunbury): But not on the high seas.

Mr. MICHAUD: Not on the high seas. There is no compensation under any law as yet; but for the benefit of my hon. friend I may say that at the present time some officials of several departments of government are working together preparing a plan of compensation for Canadian seamen who meet with accidents on the high seas.

Mr. GILLIS: I am very glad to hear that, but there is discrimination again. There is a private enterprise set-up to employ merchant seamen and there is the government set-up which is responsible for the other service personnel. The man who is in the services is protected; his dependents are protected if anything happens to him, but not so with the merchant marine. In my opinion it is rank discrimination to enlist the services of a man or a boy in that particular occupation, because I think it is the most hazardous of all, sailing on those old boats with very little protection and under war conditions at all times. There is no way of fighting back. If the seaman is lost at sea I think the least that the companies which employ him can do is to insure him for a certain amount in order to protect his dependents. I realize that such seamen are included in the Canadian pension regulations now, but if they are killed by enemy action you have to prove the claim, and it is a rather difficult thing to do. It takes a long roundabout course, as the Minister of Pensions and National Health will admit, because he is tracing a lot of them now.

Another point I should like the minister to comment on is medical facilities. What are the medical facilities at Canadian ports for Canadian merchant seamen who happen to land at Halifax, Montreal or Vancouver, or any of our Canadian ports? What are the facilities to take care of them if they are sick and require medical attention or hospitalization? Have they the right to enter a military or naval establishment in those ports? I have received letters stating that men have left their ships in Halifax, for example, requiring hospitalization, and met with a great deal of difficulty in securing it. Finally they got into hospitals, but during the period of their stay they receive none of the benefits that are given the service personnel in the way of pay, allowances, a little something for comforts and so forth. It seems to me that they have a great deal of difficulty in getting any kind of medical attention if they leave their ships under the circumstances I have just mentioned. These are sore points with the men serving in the merchant navy, and I think they require some attention.

Mr. MICHAUD: By arrangement with the Department of Pensions and National Health the services of that department in all Canadian ports are available to merchant seamen who

are in need of medical attention. In addition, we have just drawn up a new regulation under which sick seamen are entitled to an amount not to exceed twelve weeks' wages, excluding war risk bonus and war service bonus, in addition to the medical care and attention they receive through the Department of Pensions and National Health.

Mr. HANSON (York-Sunbury): Is this the distinction, that men in the merchant marine are not enlisted men of the crown, while those in the armed services are, and therefore the men in the merchant marine have never been given the same benefits? I think that is the principle upon which the department has been acting. Some time ago men of the merchant navy who suffered by reason of enemy action on the high seas—Canadian nationals, we will say, serving in ships of Canadian registry—were brought within the provisions of the Pension Act, were they not?

Mr. MICHAUD: Yes.

Mr. HANSON (York-Sunbury): Now they are entitled to pensions, provided they prove their case, to the same extent as men in the armed services. I point out to the minister, then, that we have admitted the principle; and if these men to whom the hon. member for Cape Breton South is referring are doing war service comparable with that of the men in the armed services who are not actually fighting abroad, then why should we not, at all events during the period of the war, go a greater distance than we have gone? I think the hon. member for Cape Breton South has made out a case for further assistance to the men of the merchant marine.

Take the case of the damage to the *Lady Nelson,* about which I happen to know quite a lot because the captain was a great personal friend of mine. She was torpedoed in St. Lucia harbour; her whole stern was blown off, and I suppose there was some loss of life, though I do not recall that. She was repaired on the spot at least to the extent that she could be towed to Mobile, Alabama, where she was, in fact, rebuilt and converted into a hospital ship. The season of the year was such that getting her there was a terrific task. She was a tow at four miles an hour over thousands of miles of water, down through the Florida ship canal and up through the gulf of Mexico to Mobile, Alabama, and then the superintendence of the conversion had to take place. As a result, more than one person, including the master, lost his health. After some trouble—I do not say there was a battle or anything of the sort—upon the submission of evidence as to his health before this voyage, the pension commission agreed that his condition, which they had previously held was pre-enlistment—I believe it was a heart condition—had been aggravated by the services he had performed.

I mention this case to show that by virtue of the amendment to the pension legislation we have recognized the very principle for which the hon. member for Cape Breton South is contending. As I understand it, he is saying that while in theory and in certain directions we have perhaps admitted the principle, in other directions it does not function without a great deal of trouble. If that be so, it is a pity. The minister and the officials of his department ought to make it easier for a man in the merchant navy to show that he is suffering as a result of his service at sea, because that man is really not in a position to fight for himself. The minister should give the committee some assurance that the extension of the principle of liability for injury or suffering or incapacitation will be sympathetically considered, because undoubtedly these men are doing a great national service. I offer this to the minister as a constructive suggestion.

Mr. MICHAUD: These are very good suggestions. The committee will realize that when war broke out we had to build up a body of merchant seamen as quickly as possible, but practically every week we are able to grant further benefits to these men or do something that will improve the conditions under which they work or the conditions under which they wait between voyages, and also improve their remuneration. We now pay them up to twelve weeks while they are sick. We expect to have full compensation even for both sickness and accident on the high seas. We give them an additional war service bonus after they have served in the merchant navy for a year. At the end of one year's service we give them twenty-four days' leave with pay, and a one-third of single first-class or coach fare, with the remainder of the fare paid by the Department of Transport, round trip. These are benefits we have been able to work out gradually for the merchant seamen. In addition, we make an allowance to the dependents in case of death, and we are working out rules which will make it as easy and simple as possible for the sick or disabled man or his dependents to establish a claim to benefits from the Department of Transport, which in turn we transfer to the Department of Pensions and National Health, who administer these matters.

Mr. MacNICOL: I should like a little more information as to just what is done for dependents of merchant seamen who lose their lives as a result of ships being torpedoed. I

was following the last war, and still am, now an honorary officer of the Navy League of Canada. The Navy League of Canada was appointed one of the agencies following the last war to dispense reparations. I have forgotten all the particulars, but I know they applied to merchant seamen, or rather to the families of merchant seamen who had lost their lives through ships having been torpedoed.

I have long believed—I could not believe anything else—that the family of a merchant seaman who loses his life while engaged in war work, possibly that of convoying the goods of war, or goods required to maintain the people of the old country, are just as much entitled to full compensation as the man who does the fighting—perhaps I should not say just as much as the man who does the fighting, because perhaps he is entitled to more than anybody else—but at all events are entitled to full compensation.

I am not sure just what the position is to-day, but if the wives and families of men who have been lost in convoy work are not receiving the same benefits, then certainly they should be. If that is not the case, then I hope the minister will see that it is.

Mr. MICHAUD: To-day the dependents of merchant seamen get exactly the same benefits as those of the navy.

Mr. MacNICOL: And just as quickly, and without trouble?

Mr. MICHAUD: Yes, it is administered by the same department, namely the Department of Pensions and National Health.

Item agreed to.

Joint U.S.A. and Canada defence—purchase, leasing or otherwise acquiring properties, $110,000.

Mr. COLDWELL: Will the minister give us an idea of the properties involved?

Mr. MICHAUD: Yes. This is just a tentative estimate of what we will need to purchase or to take over property acquired or leased by United States representatives in Canada. The title has to be vested in the crown, or in His Majesty the King in right of Canada. Some real estate is required. There are many leases, both large and small, especially in the west, standing in the name of officials, but held for the United States government, and the title to which is to be transferred to His Majesty the King. This is done partly through the Department of Transport and partly through the Department of Mines and Resources.

Mr. COLDWELL: I notice the amount is considerably less than last year.

Mr. MICHAUD: Yes.

Mr. COLDWELL: And is it "acquired" or "required"?

Mr. MICHAUD: "Acquired"—and it may be "required", I do not know.

Mr. COLDWELL: Either by lease or purchase. The property required by the United States government is mainly leased.

Mr. MICHAUD: Mainly leased.

Mr. COLDWELL: And I suppose chiefly around Edmonton?

Mr. MICHAUD: Yes, around Edmonton.

Mr. NOSEWORTHY: There are two or three matters connected with manning pools to which I would direct the minister's attention. I am not sure whether they should have come under the last item or this one. I have before me a copy of an agreement which the men entering these manning pools are required to sign. I was pleased to hear the minister report on the degree of responsibility his department was accepting for the men employed in the merchant marine. I think it is not only the nature and importance of that work in our war effort that makes the department responsible. The department takes men into the manning pools, invites them to enter into a contract, and once they have entered these manning pools they are to all intents and purposes under government direction, almost as if they had gone into the armed forces. They sign a contract by which they undertake to go to sea in whatever capacity they can go, and on any ship which may be assigned to them by the regional director of the pool. I believe the very nature of that contract involves the government in a good deal of responsibility regarding those men.

I was sorry to hear the minister disclaim any responsibility for their transportation from the point of disembarkation to their homes. In my opinion the government should assume the responsibility for transportation of not only those released from the service on compassionate grounds, but also those discharged from the service, and those who return to their homes between voyages for periodic holidays. It seems to me that these men are entitled to a reduced fare for their return from the point of disembarkation, just as is the man in the armed forces. They have no choice as to the port from which they shall sail, nor have they any choice as to the port at which they shall land when they return. They are completely at the disposition of the director of the regional pool, so far as being sent aboard any ship is concerned.

The CHAIRMAN: May I point out that we are dealing with item 4. Item 3 is passed.

Mr. NOSEWORTHY: Item 4 deals with manning pools, does it not?

The CHAIRMAN: No; it deals with joint United States and Canada defence.

Mr. NOSEWORTHY: I am sorry if I missed the item. However, I was on my feet two or three times before it was declared passed.

In these agreements one of the qualifications is that a man shall be hired at the rating last held. My information is that this procedure is not followed at all the manning pools. Reports from officers say they have been stepped down from senior to junior officers upon entering the pool.

Paragraph 4-C of the contract states that these men are to receive wages, board and lodging while in the pool. The practice is that when a man comes to the pool, and it is found that his services are not likely to be required for some time, he is advised to go home. While he does receive his pay, he receives no maintenance allowance, although he must remain on call at all hours of the day and at all times, until the pool calls him. I am informed that when men go from the pool to a Park ship they receive regular annual increases, whereas men going from the pool to other ships, even though they are operated by the same companies that operate pool ships, receive no increases. If they go from one of those ships to a Park ship they get no credit for the time they have served on the other ship. I am informed also that in 1943 all the officers on Park ships received annual increments except one class, the wireless operators. That seems to be a case of discrimination.

I received another complaint about the manning pool in Toronto.

Mr. MICHAUD: There is no merchant seamen manning pool at Toronto.

Mr. NOSEWORTHY: I am informed that there is no one to whom the men can refer grievances, that they are advised to communicate with the director at Ottawa. It has been suggested that the director or some of his assistants should visit these pools on occasion and receive such complaints as the men have to register. It is hard for them to obtain any degree of satisfaction by means of correspondence.

The CHAIRMAN: This item has been carried. I am in the hands of the committee if hon. members want to revert to it.

Mr. FRASER (Peterborough West): I have just one word to say about correspondence with Mr. Randles, director of merchant seamen. I understand that any one who has ever written to him has always received a most courteous reply.

[The Chairman.]

Mr. MICHAUD: I should like to give a word of explanation about transportation costs. If a man leaves home to enlist at a pool located some distance away, he is not entitled to any transportation costs because he is not under agreement. If he leaves his work voluntarily he does not receive transportation home, but if for some reason or another he is sent home, he receives two-thirds of the cost of his transportation. This is a recent regulation and possibly the informant of the hon. member was not aware of the change in the regulations.

Mr. NOSEWORTHY: Under what conditions would he receive two-thirds of the cost of transportation from the port of disembarkation?

Mr. MICHAUD: On annual leave. These men take employment for two years. I am told that merchant seamen receive pay and lodging as long as they remain in the pool, but if they prefer to live outside the pool they receive pay only.

Mr. NOSEWORTHY: If they live at home they get nothing?

Mr. MICHAUD: They get no living allowance, but they are free to remain at the pool if they want to. There is no manning pool at Toronto, but I shall look into the complaint about the men in Toronto.

Mr. COLDWELL: In connection with properties acquired or leased on behalf of the United States, do I understand that we are reimbursed for these, or is that part of our contribution under the joint defence scheme? Do we assume the obligation, or are we reimbursed in any way?

Mr. MICHAUD: We simply take title, and the United States services continue to occupy the property as long as they have need for it.

Mr. COLDWELL: But we get no revenue in the meantime?

Mr. MICHAUD: No.

Mr. COLDWELL: It is a contribution on our part?

Mr. MICHAUD: Yes.

Item agreed to.

Railway and steamship service, $3,030,000.

Mr. STIRLING: What ships are degaussed?

Mr. MICHAUD: Merchant ships that are built in Canadian yards and all others assigned to ocean travel.

Mr. STIRLING: I can understand where it would be done in the case of new ships, but I am surprised to hear that there are still ocean-going ships that have not been degaussed.

Mr. MICHAUD: This item applies only to the new ships, repairs and renewals.

Mr. MacNICOL: Mr. Chairman, are you calling the details of the item or simply the item as a whole? I had a question I wanted to ask about one of the details of item 6.

Mr. COLDWELL: We did not hear item 6 called.

The ACTING CHAIRMAN (Mr. McCann): We are now dealing with item 7.

Mr. MacNICOL: What about item 6?

Mr. COLDWELL: I did not hear it carried.

Mr. MacNICOL: I wanted to ask a question on item 6.

The ACTING CHAIRMAN (Mr. McCann): Item 6 has been called and passed. Does the hon. member wish to revert to it?

Mr. MacNICOL: I wanted to ask a question about aids to navigation. During 1943 a great amount of traffic went down the Mackenzie river and also on the Athabaska.

Mr. MICHAUD: That would come under the main estimates.

Mr. MacNICOL: This item covers aids to navigation for war purposes. I wanted to know if any aids to navigation had been provided on the Athabaska river, lake Athabaska, the Rocher river, the Slave river, Great Slave lake and the Mackenzie river. I was informed a short time ago by a member of one of the transportation companies that a large amount of traffic had passed over these waters and that there had been some damage. If the minister is not familiar with navigation matters in that part of the country, there is no use in my continuing.

Mr. MICHAUD: Since 1933 the department has maintained some aids to navigation in the waters mentioned.

Mr. MacNICOL: They are insignificant. So far as I can see they amount to little. Barges are constantly running on to the butts of trees which are piled into the river every spring by the thousands. I speak of what I know. Pilots going down those rivers—I have been down them—frequently have very great difficulty. Our United States friends had much difficulty last year in taking their supplies down to their works at Fort Norman. It was for that reason they began to build the roadway from Peace River to Fort Providence. But if the department does not bother about providing better aids to navigation on the Mackenzie river route, I have nothing more to say.

Mr. MICHAUD: I understand that in those waters we have over thirty aids to navigation —flash lights, gas lights, buoys and so on.

Mr. MacNICOL: I had reference to keeping the channel open and removing sand bars and stumps of trees.

Mr. MICHAUD: I will call the matter to the attention of the Department of Public Works.

Mr. MacNICOL: The Saskatchewan department of public works would not have a solitary thing to do with the Mackenzie river, which is outside Saskatchewan. Nor has it anything to do with the Athabaska river.

Mr. MICHAUD: I mean the federal department of public works.

Mr. MacNICOL: Since the traffic is for war purposes, I would think the Department of Transport would have something to do with it.

Mr. MICHAUD: There are thirty-eight aids to navigation in the Northwest Territories.

Mr. MacNICOL: I shall not proceed further. I can see plainly that not very much is known about the navigation end of the river.

Mr. COLDWELL: On what basis is compensation paid to masters and crews of Canadian vessels for loss of personal effects? Is it on a *pro rata* basis, and, if so, what is the limit? How is the valuation made.

Mr. MICHAUD: The authorized rates of compensation range from $70 to $350 for men and officers and $600 for masters.

Mr. COLDWELL: How do they apply for compensation? Do they give a list of the clothing and valuables they have lost? Do they get compensation for a watch, instruments and so on?

Mr. MICHAUD: Yes; instruments, clothing, and so forth.

Mr. COLDWELL: And $70 is the minimum compensation?

Mr. MICHAUD: For men and officers $70 is the minimum, and it ranges up to $300; $300 for certificated officers and $250 for uncertificated officers—that is the maximum. Ratings and waiters, $150; bedroom steward and others, $70.

Mr. COLDWELL: Is $70 the maximum compensation that can be paid to a bedroom steward and others?

Mr. MICHAUD: Yes.

Mr. COLDWELL: If a man loses all his clothing in a shipwreck, surely he cannot replace the kind of clothing he would need on the Atlantic for $70. That sum seems to me very little.

Mr. MICHAUD: I have had no complaint.

Mr. COLDWELL: How does it compare with rates paid on ships of United States registry?

Mr. MICHAUD: I do not know; I have not those figures.

Mr. COLDWELL: Whether the minister has had any complaints or not, $70 seems to me very little with which to replace the clothing that is required on the north Atlantic.

Mr. NOSEWORTHY: Is there included under these items for marine service the upkeep of government steamers which take care of lighthouses and buoys?

Mr. MICHAUD: Yes.

Mr. NOSEWORTHY: What improvements have been made in recent months in the working conditions, the hours, wages and living conditions, of the men who live on board such boats as C.G.S. *Dollard*? I visited that boat at Saint John last fall, and I found the men complaining of working as much as twenty hours a day, as much as nine hours at a stretch between meals, and some deck-hands figure that they received on some days about eleven cents an hour, considering the number of hours they worked. I want to say this. I have in my lifetime lived aboard fishing vessels that go from Newfoundland to Labrador, and I have lived in mining, railway and lumber camps, but I have never at any time in my life seen human beings required to live under conditions such as I found existing aboard the *Dollard* at the time I visited her last fall. The boat was simply crawling with vermin and the officers and men told me that it had not been fumigated for years.

Mr. MICHAUD: Yes; but the men have to feather their own beds. They are responsible for the quarters in which they live practically all the year round. When the conditions were brought to the attention of the department we pointed out to the men who were responsible for and submitted to those conditions that they should change the bedding and clean and fumigate the boat, and I understand that they did.

Mr. NOSEWORTHY: Is it not the policy of the government to have these boats fumigated annually?

Mr. MICHAUD: Yes, indeed, and we give instructions to the men who live on the boats to clean up their own quarters. That is their responsibility. We do not send in outside help to clean the boats, only to make repairs which the crew cannot make themselves. The crew look after their own quarters and take care of themselves. If they want to have ideal living quarters it is up to themselves to make them so. I know the conditions of which the hon. member speaks. In some instances we have compelled the men to clean the quarters so as to improve conditions.

Mr. NOSEWORTHY: Who is responsible for the conditions? When the minister says that instructions are given to fumigate the boat, who receives the instructions?

Mr. MICHAUD: We send the instructions to the captain, but a dozen or twenty men cannot live on a boat and allow vermin to accumulate. If they do, it is their own fault.

Mr. COLDWELL: Does the captain of the ship hire the crew? Is he responsible for the personnel or for any changes made?

Mr. MICHAUD: The crews are hired through the local marine agent at the port.

Mr. COLDWELL: Is there a large turnover on the boats?

Mr. MacNICOL: Of vermin?

Mr. COLDWELL: I do not mean turnover in the sense that some hon. members have in mind. I mean the labour turnover. Are the sanitary conditions good on these ships and can the men bath and wash? What kind of boats are they?

Mr. MICHAUD: Some are quite modern and clean and others are not, until we compel the men to clean them.

Mr. NOSEWORTHY: The only way in which the men could wash on that boat was by taking a pail of water to where they slept or in a small cubby-hole between the place where they slept and where they ate. There was no convenience. In fact, the conveniences on the boat, I would say, were out of date when Noah built the ark.

Item agreed to.

Additional harbour facilities at Halifax, N.S., $275,000.

Mr. MACDONALD (Halifax): Will the minister explain the harbour facilities at Halifax?

Mr. MICHAUD: On April 30, 1941, an order in council was passed appropriating $4,000,000 for lighterage facilities at Halifax. Since then, every year the work has been done. This year the requirements amount to $275,000. We have expended $3,238,769.40.

Item agreed to.

Assistance to Canadian National Railway Company for development of Steep Rock mines (revote $260,000), $2,360,000.

Mr. STIRLING: Will the minister describe this large item.

Mr. MICHAUD: In September, 1942, the Canadian National Railways made an agreement with Steep Rock Mines Limited whereby they undertook to guarantee the movement of ore from a point near Atikokan, Ontario, 150 miles west of Port Arthur, to the docks at the latter place. The government agreed to advance to the Canadian National Railways the capital required for building the spur line from the mine to the line to Port Arthur and also for building a loading dock there.

Mr. MacNICOL: Does the minister not mean, for building the spur line from the mine to Atikokan?

Mr. MICHAUD: Yes; to the main line of railway.

Mr. MacNICOL: And building the shipping facilities at Port Arthur for loading iron into the ships?

Mr. MICHAUD: I did not mean to say that the Canadian National was to build 150 miles of railway to accommodate the mine. It is a spur of three miles to join the mine with the main line of railway, and then there are the dock facilities at Port Arthur.

Mr. STIRLING: Under what terms would repayment be made?

Mr. MICHAUD: The railway gets a subsidy of twenty cents a ton for the first five million tons of ore to enable it to give a reduced freight rate, and there is six cents a ton set aside, on every ton handled over the dock, to cover the cost of construction of the spur and the ore dock.

Mr. NOSEWORTHY: My information is that the company was guaranteed that the dock would be ready by August 1 and that in the event of its not being ready the government would undertake to pay the difference in freight charges for shipment by rail instead of by water. Is that information correct?

Mr. MICHAUD: I have no knowledge of that.

Mr. NOSEWORTHY: Is there in the original contract any date by which the dock was to be ready for use?

Mr. MICHAUD: No. That is probably the agreement between the railway and the company, but it is not in the agreement between the railway and the dominion. All we have guaranteed is to advance the money to the railway.

Mr. NOSEWORTHY: My information is that that was the contract between the railway and the company. I am informed that the first contract for piling was let by the railway to be completed by June 1. I understand that has not yet been completed and is not likely to be completed by that date. Another contract for the superstructure on the piling was advertised in some newspapers some time ago, and I am told that the contract for the superstructure calls for completion on October 1, months after the dock is supposed to be completed. My information is that the superstructure cannot possibly be completed by October 1, and if there is a delay of many months and the ore is to be shipped for many months by rail, the difference between rail shipment and water shipment may very well run into the total cost of building that dock. What firm has the first contract for the building of that dock?

Mr. MICHAUD: These contracts were let by the railway.

Mr. NOSEWORTHY: And are sent to the minister's department?

Mr. MICHAUD: No; except that they report to the department once a year.

Mr. MacNICOL: Does the hon. member know whether the Steep Rock company has commenced to ship iron from Atikokan to Port Arthur?

Mr. NOSEWORTHY: I am told they will be ready to ship by August 1, but the dock cannot possibly be ready until October or November.

Mr. ADAMSON: They have an agreement to ship five million tons the first of the year. I think they are bound by that agreement.

Mr. MICHAUD: I cannot say; I have not the contract. But according to the agreement between the railway and the department they are to get twenty cents a ton on the first five million tons.

Mr. ADAMSON: It will be paid for then in the first two years?

Mr. MICHAUD: I think I have the information here. I see by a letter that is attached to the deputy minister's book that J. W. Pitts of Winnipeg has the contract for the spur line to the iron mine. The date of completion of this contract is June 30, 1944; that is for the spur line.

Mr. NOSEWORTHY: Has the minister the name of the company that is driving the piles for the dock?

Mr. MICHAUD: No; there is nothing in this letter to indicate that.

Item agreed to.

Loan to the Canadian National Railways for the development of the Vermilion, Alberta, oil field, $313,000.

Mr. MacNICOL: May I ask the minister whether the Vermilion oil field supplies oil to the operations of the Canadian National locomotives in that part of the country? Is that what the field is operated for?

Mr. MICHAUD: That was the reason why this venture was gone into, but I am told that they have not been producing enough for the requirements of the locomotives of the Canadian National Railways in that territory.

Mr. MacNICOL: Are any of the locomotives in that section of the country oil-burning?

Mr. MICHAUD: Yes; my information is that in the mountain section the Canadian National Railways have oil-burning locomotives.

Mr. FAIR: Is it the intention of the government to continue the operation of the wells at Vermilion?

Mr. MICHAUD: This is not a government operation; it is a Canadian National operation. They have agreed to test or prove fifty wells, and when they have completed their contract I am under the impression that they are to abandon the work, although I am not certain of that.

Mr. ADAMSON: How many wells are producing?

Mr. MICHAUD: I have the list here.

Mr. ADAMSON: What do they call the wells?

Mr. MICHAUD: The last report made by the Canadian National Railways to the department was dated April 21 within the last three weeks. The report is to the effect that the chairman of the company, the Canadian National Railways, felt the result was very disappointing and the vice-president in charge of research and development has been asked to review the whole position to determine whether formal steps should not be taken to discontinue drilling under the terms of the agreement with the Western Drilling Company Limited. Since then we have had no report. It was agreed that if ten of the wells should produce an average of less than twenty-five barrels a day for the first thirty producing days, the leased area could be returned to the Western Drilling company. So far, twenty-nine wells have been drilled. Seventeen are in production, but the production is very low, an average of eighteen barrels per pumping day per well. In the month of January 8,654 barrels were produced, and in February, 6,836 barrels.

[Mr. Michaud.]

Mr. ADAMSON: How far does that go to meet the requirements of the railway?

Mr. MICHAUD: I do not know about that. I am told that the Canadian National Railways need about eight hundred thousand barrels a year—this is about ten per cent.

Item agreed to.

Mr. MICHAUD: There is an item on page 397 of *Hansard* of February 11, which has to be passed. It appears under the heading "National Harbours Board."

National harbours board—
Halifax harbour—operation and maintenance of fire boats and other fire protection, $178,800.

Mr. CASTLEDEN: Why the increase?

Mr. MICHAUD: We had to have another boat. We were operating only one fire tug last year and this year we have to operate two.

Mr. CASTLEDEN: But the item is about three times as large.

Mr. MICHAUD: No. In that amount is included the cost of building the fire tug as well as the operation of it. We had to remodel an old tug and turn it into a fire tug. The cost of remodelling the old tug is included.

Mr. CASTLEDEN: Did they put new pumps into the old tug?

Mr. MICHAUD: No; this is another tug. We are operating two tugs.

Mr. CASTLEDEN: Did they put new pumping equipment in the one that is being added this year?

Mr. MICHAUD: Yes; new pumping equipment, and a lot more, I understand.

Mr. CASTLEDEN: What is the cost of fixing up the new boat?

Mr. MICHAUD: The operation of the old fire boat, called the *Rouille,* is estimated at $66,600 a year. We have other special fire protection, the cost of operating the *James Battle.* That is the new fire tug. We have charter hire, $17,520, and the gross operation will cost $71,370 this year. Equipment and maintenance amount to $7,430, and, in addition, we have a special fire patrol which cost $32,200.

Mr. MARSHALL: What do you expect to do with the $700?

Mr. MICHAUD: That is the balance of the cost of altering and assembling a heavy lifting

crane in the harbour of Saint John. The whole cost was $151,000, which was paid out of last year's appropriation, and outstanding accounts remain, totalling $700. This appropriation is to clean up all those accounts.

Item agreed to.

DEPARTMENT OF FISHERIES

Assistance in the construction of vessels of the packer-seiner type, $250,000.

Mr. STIRLING: Why should this be a war appropriation expenditure?

Hon. ERNEST BERTRAND (Minister of Fisheries): The construction of these vessels resulted from the fact that about seventy vessels were requisitioned by the army and navy, especially after Japan came into the war. This only affects the packer-seiners of the west coast. We had to replace some of those, because we did not know how long they would be in the service. Eleven have been built and ten are partly completed. We have subsidized them to the extent of $165 per gross ton, but more recently abolished this subsidy, because we believe that some of the boats requisitioned have been replaced by the army and we do not think we need the subsidy any more. Altogether we have paid $121,500.

Mr. STIRLING: If I understand the situation aright, these boats were taken over by the government for army purposes?

Mr. BERTRAND (Laurier): Not those on which we are paying subsidies; these boats were built by different corporations to replace boats that were requisitioned by the army early in the war. We had to do that in order to have the production necessary to carry on the fisheries. This applies only to packer-seiners seventy-two feet or more in length and of from ninety to one hundred and ten gross tons.

Mr. BENCE: How much was spent during the fiscal year 1943-44, and how much is it anticipated will be spent in the current fiscal year?

Mr. BERTRAND (Laurier): In 1942-43 we spent $61,511.55; in 1943-44, for seven vessels, we spent $118,225.80. We have abolished the subsidy, so that we are not going to pay any more money except in connection with those now under construction, for which permits had been granted at the time we passed the last order in council.

Mr. BENCE: I thought the minister said that the total amount expended was $121,000. Now he tells us that $61,000 in round figures was spent in 1942-43 and $118,000 in 1943-44. What is the reason for the disparity in the figures?

Mr. BERTRAND (Laurier): The amount of $121,536 is the expenditure up to date. The amount of $118,000 was the expenditure up to a month ago, but since that time another subsidy of something over $3,000 has been paid. These subsidies are paid during the course of construction, and we have paid another $3,000 since this figure of $118,000 was given.

Mr. BENCE: Then the total amount that has been spent is $179,000 in round figures?

Mr. BERTRAND (Laurier): About $179,000, plus $3,000 which will appear in the estimates for the present fiscal year.

Mr. BENCE: Then how much will be spent during the current year?

Mr. BERTRAND (Laurier): We do not know exactly, because we do not know the tonnage of all the boats that are under construction. These boats are measured after they are completed, and we pay $165 per gross ton, but we think the expenditure will run to about $250,000. We are asking for that appropriation; it may not be all spent.

Mr. BENCE: I am not at all clear on this matter yet. If during the first two years this scheme was in operation $179,000 was spent and now the whole scheme is being ended, I should like some indication as to how much money is still to be spent.

Mr. BERTRAND (Laurier): The amount already expended was paid on the boats that were finished. I stated that eleven boats were completed and ten more were in course of construction. Of course, until they are completed we cannot tell exactly what it is going to cost, because we cannot measure the tonnage of the boats. We are asking for an appropriation of $250,000 for the fiscal year 1944-45.

Mr. BENCE: It seems to me that this is a good deal more money than you need.

Mr. BERTRAND (Laurier): It depends upon the size of the boats. This represents the best judgment of the experienced officials of the department.

Mr. NOSEWORTHY: Do we understand that these boats are being built to replace boats which were requisitioned for war purposes?

Mr. BERTRAND (Laurier): Over seventy boats were requisitioned by the army and navy on the west coast; and when the army and navy requisition boats, they take the best.

They took most of the best boats, and we did not know how long they would remain in the possession of the army and navy, so that an order in council was passed granting a subsidy of $165 per gross ton, which would amount to approximately 33⅓ per cent of the cost of construction of new boats. More recently this order in council has been withdrawn, because boats are now coming back from the army and navy. The navy particularly has been building its own boats, which are better fitted for naval service than the fishing boats that were requisitioned at the time, so that we do not think we should grant the subsidy any longer.

Mr. ROSS (St. Paul's): Is part of this a revote from last year?

Mr. BERTRAND (Laurier): It has that character, in the sense that we did not spend all that was asked for last year.

Mr. ROSS (St. Paul's): You are asking for $250,000, plus a revote of $71,000.

Mr. BERTRAND (Laurier): No; the $71,000 is included in the $250,000, which we expect to reach this year.

Item agreed to.

Assistance in the construction of vessels of the dragger type and the conversion of fishing schooners to draggers, $250,000.

Mr. BENCE: What is the explanation?

Mr. BERTRAND (Laurier): The wooden dragger is a boat used on the east coast. It is something like the otter trawler, but much smaller, running from seventy-two feet, up, and it drags the bottom of the ocean. We felt that the fisheries on the Atlantic coast needed to be subsidized and that some of the boats were antiquated. We felt we should have the fishermen build another kind of boat that has been very successful in other waters, especially in the United States. The boat has been subsidized at $165 per gross ton, with a depreciation of twenty per cent a year for five years, to be taken in one year if the proprietor wishes. That order in council has not been utilized by the fishermen to the extent we thought it would be.

There was one boat completed, and there are two applications which have been approved, but the boats are not yet built. In the same order in council we also subsidized the conversion of schooners into draggers. Only one has been converted. The order in council is about the same as the one for packer-seiners, except that it is for the east coast, where the packer-seiner type would not be the proper boat on account of the different kind of fisheries we have on the Atlantic coast.

[Mr. E. Bertrand.]

Mr. NOSEWORTHY: Does the $250,000 cover the boats to which the minister referred?

Mr. BERTRAND (Laurier): No; this is in anticipation of this year's programme. Only one boat has been built, and two applications have been made. One schooner has been converted. We have paid only $22,088.

Mr. STIRLING: Is this subsidy to be cancelled?

Mr. BERTRAND (Laurier): No, we have not cancelled it, because we think there is a great need for this kind of boat on the east coast. We are short of vessels and short of men.

Mr. GILLIS: Possibly the reason why the order in council was not taken advantage of to a great extent is that it is not generally known. It was not advertised. It is safe to say that a large percentage of fishermen on the east coast would tell you, if this were brought to their attention, that they had not heard of it before. Then there is the other angle that a large percentage of fishermen on the east coast are not financially able to take advantage of it. A certain portion of the necessary capital has to be put up by themselves.

I hope the minister will not withdraw the order in council, because it is an important step in the rehabilitation of the industry. We should see to it that it is fully utilized, and in my opinion it should be more widely advertised.

Mr. NOSEWORTHY: What is the minimum cost of a boat to which this order in council is applicable?

Mr. BERTRAND (Laurier): A dragger may cost between $75,000 and $100,000.

To answer the hon. member for Cape Breton South, I believe the order in council is known in the maritime provinces. Perhaps it is not known as well as it should be, but there has been considerable discussion about it. We do not intend to withdraw it—quite to the contrary. The hon. member was right when he said that it is not applicable to lone fishermen, because it costs too much. It is our intention to do something, either by reducing the tonnage or the length of the boat, or by doing something for the fishermen so that two or three may get together and be in a position to have one of these boats.

Mr. NOSEWORTHY: How many firms on the east coast operate boats of this type?

Mr. BERTRAND (Laurier): Only one has been completed. It is being operated by Sea Nymph Fisheries Limited. Two applications have been made by Lunenburg Sea Products

Company, Limited. The converted schooner is the property of the Norway Dragging Company of New Brunswick.

Mr. NOSEWORTHY: In other words, this concession made by order in council can be made available to only a comparatively few firms operating on the coast.

Mr. BERTRAND (Laurier): It could be available to any firm, or individuals, or co-operatives that wish to put the amount of money into it. We feel it has not been taken advantage of to the extent it should have been. A study has been made of the matter, and we are preparing an order in council which will be more appropriate for the use of individual fishermen.

Mr. GILLIS: What is the number of that order in council?

Mr. BERTRAND (Laurier): Which one?

Mr. GILLIS: The one in force to-day, to which we have been referring.

Mr. BERTRAND (Laurier): It is P.C. 7580, of August 26, 1942, amended by P.C. 2397 of April 22, 1943.

Item agreed to.

Sundry services, $190,000.

Mr. MacNICOL: What are the sundry services?

Mr. BERTRAND (Laurier): They include $3,000 for the wartime fisheries advisory committee. It is only to pay the travelling expenses of that body which sat only once in 1943, and spent $37.80. This year, on account of the increased difficulty of distributing fish, they might have to sit more than once. There are seven members on the committee. Nothing is paid to them with the exception of their travelling expenses, when they are called to sit and advise the government in respect of wartime fisheries. Then, some of the sundry services could be listed as follows:

To provide for payment of compensation for diminution of value caused by war damage to fishing boats and fishing gear, $50,000.

Construction of experimental long line fishing vessel on Atlantic coast and operating expenses, $60,000.

Expenses in connection with the supply of frozen fish to the British ministry of food, $30,000.

Payment of war bonus to crews of fisheries protection vessels and fisheries patrol vessels operating in war zones within dangerous waters, $15,000.

Salt fish export regulations—administration, $32,000.

In connection with the construction of an experimental fishing vessel, I may say that on the Pacific coast they have a boat which is called a long liner and used to fish for halibut. This boat carries a line with hooks of a length of 300 fathoms, or 1,800 feet, which is used in the fishing operations. It was thought that this method of fishing would be appropriate for the eastern coast and we had a boat built as an experiment. This boat is now on the ocean fishing and it carries a crew of six. It has been successful for the three trips it has made up to this time, and it has been out fishing for four or five days now, but we have not received the results of the last trip. In a nutshell I might say that the amount of fish caught per man per day has been about 5,000 pounds, which is considered to be quite good.

Mr. MacNICOL: The minister made reference to the vote to provide for the repair of fishing vessels. I suppose that would be to take care of vessels that were injured.

Mr. BERTRAND (Laurier): That was to provide for the payment of compensation for diminution of values caused by war damage to fishing boats and fishing gear.

Mr. MacNICOL: It is quite right that they should be compensated if they are injured as a result of the war, but would the minister elaborate a little on that? I suppose these ships are operating in the gulf of St. Lawrence or on the grand banks. Have any of these ships been torpedoed or damaged by gunfire?

Mr. BERTRAND (Laurier): "Canadian salt water fisherman" means persons of Canadian nationality employed upon a fishing vessel or boat engaged in the fishing industry of Canada in tidal waters. "War damage" means loss, including destruction, and damage caused by, or in repelling, enemy action, or by measures taken to avoid the consequences of damage caused by or in repelling enemy action. There is a schedule of compensation for war damage to personal effects through war perils at sea. In the case of a master of a fishing vessel of sixty registered tons and over, this amounts to $200 for personal effects. For a mate or engineer it is $100, and for all other members of the crew, $70. In the case of other vessels, it is $125 for the master and $70 for other members of the crew. If a boat or gear is damaged, the damage is valued and the amount is paid. "Diminution of value" means the amount by which the value of any fishing boat or fishing gear in the state in which it was immediately after the occurrence of the war damage is less than its value in the state in which it was immediately before the occurrence of the war damage.

The minister may pay compensation to any person in an amount not exceeding $2,000 for each diminution of value caused by war damage

in any fishing boat of which that person is the owner. It is provided that if any person is a joint owner his compensation shall be limited to his proportionate share of the said $2,000. There are also benefits for sickness or injury, and pensions are paid. In the case of a master of a fishing boat of sixty registered tons or over, this would be equal to that paid to a lieutenant. In the case of a master of other fishing boats, it would be equal to that paid to a sub-lieutenant. In the case of other members of the crew, it would be equal to that paid to a naval seaman. The scale of pensions paid to widows or dependent parents amounts to $800 for a lieutenant and $720 for sub-lieutenant and all other ranks and ratings. Additional pensions for children or dependent brothers or sisters are $180 for one child, $324 for two children, and $120 for each subsequent child.

Mr. MacNICOL: The minister referred to ships being damaged in avoiding enemy action. What would that cover?

Mr. BERTRAND (Laurier): In repelling enemy action or because of measures taken to avoid the consequences of damages caused by or in repelling enemy action.

Mr. MacNICOL: Running into another ship or something like that?

Mr. ROSS (St. Paul's): How much of this vote was used last year?

Mr. BERTRAND (Laurier): There are two or three applications under consideration but the damage has not yet been arrived at, so that nothing has been paid.

Mr. ROSS (St. Paul's): That is of the total of $15,000?

Mr. BERTRAND (Laurier): Yes.

Item agreed to.

SECRETARY OF STATE

Department generally, $8,000.

Mr. KNOWLES: What is involved by way of war expenditures under this item?

Hon. N. A. McLARTY (Secretary of State): This is made up of two items. As the committee is aware, in 1941 a special appropriation was made for the lieutenant governor of Nova Scotia in the sum of $4,000 to cover additional expenses to which he was put by reason of entertainment and other duties he had to perform in war time, supplementary to those performed in peace time. As the committee is also aware, this year a vote of $4,000 was made to the lieutenant governor of Quebec. Before his appointment the lieutenant governor was entitled to a pension of $6,300, and some doubt arose as to whether he was still entitled to that pension. He has not been drawing it, and if the decision is that that pension is recoverable, then the $4,000 will be returned.

Mr. BENCE: Under what section of the estimates of the Secretary of State would questions relating to the custodian of enemy property come?

Mr. McLARTY: That would be the civil estimates, departmental administration.

Mr. GRAYDON: It should not be.

Mr. McLARTY: It is.

Mr. BENCE: There is the question of the return of properties which were taken over as a result of the ban placed on certain groups in this country. Does the investigation of this matter come under another item?

Mr. McLARTY: I do not wish to be technical, but it could not come under this item, and it does not come under any item in the war appropriation. It would come under the general estimates of the Secretary of State.

Mr. BENCE: If it does not come under "department generally", will the minister explain just how the McPhee commission was paid, under what appropriation?

Mr. McLARTY: The McPhee commission was paid out of the custodian's administration fund. Judge McPhee would receive no remuneration, only expenses, and the other members of the commission would be paid out of the custodian's fund.

Item agreed to.

Commission re revocation of naturalization certificates, $3,000.

Mr. STIRLING: The other evening the question of the possibility of revoking the naturalization of persons who were interned came up, and I should like to ask the Secretary of State whether there is not power now to revoke the naturalization of interned persons?

Mr. McLARTY: I shall have to give a careful answer to that question, because I have never had occasion to go into the question of the inherent right to revoke the naturalization of an interned person. The procedure that is followed in the event of a person interned expressing a desire to lose his Canadian citizenship is that notice is sent to him in the regular way advising him that unless he wishes to appeal against the decision his naturalization will be revoked. But the practice has not been to revoke his naturalization because of the mere fact of his internment.

Mr. STIRLING: In the case of a convicted person, at least consideration is given to the revocation of naturalization and the deportation of the individual, is it not?

Mr. McLARTY: It is only to the matter of deportation, not to the revocation of naturalization, although the revocation would presumably follow.

Mr. GRAYDON: Does the custodian of enemy property come under the jurisdiction of the minister?

Mr. McLARTY: Yes.

Mr. GRAYDON: I have been checking over the estimates, and it looks to me as though the minister will have to get along without a vote for the custodian of enemy property because there is not an item for him in the war appropriation estimates or in the civil estimates.

Mr. McLARTY: The reason is that the custodian requires no vote. The custodian is self-supporting.

Mr. GRAYDON: Does that mean that we shall have no oportunity to discuss the position? It is important that an opportunity be afforded. If there is no vote for the custodian of enemy property, then I think the departmental estimates generally, as the hon. member for Saskatoon city suggested, would be the proper item for the discussion. I think the minister was wrong in suggesting that it would not be proper to discuss it on his estimates.

Mr. McLARTY: There would certainly be no objection to giving to the committee all the information required in connection with the custodian of enemy property, but I suggest that rather than delay the committee now we should take it up under the civil estimates of the department's general vote. The items now before us are two particular items which have nothing whatever to do with the custodian. I do not wish my hon. friend to get the impression that there is any holding back of information, because there is no information that the custodian wishes to be held back.

Mr. GRAYDON: If I may say so, I think the minister's suggestion is a good one, that the discussion take place on the civil estimates. In the meantime there will be no delay in passing his war appropriation estimates. But I hope the minister will make sure to remind us that the discussion comes under the first item of his civil estimates.

Mr. McLARTY: I am afraid that my hon. friend will have to charge his own memory with that responsibility.

Item agreed to.

Progress reported.

At eleven o'clock the house adjourned until Thursday at 3 o'clock p.m., pursuant to special order made Monday, February 21, 1944.

Thursday, May 18, 1944

The house met at three o'clock.

THE PRIME MINISTER

ADDRESS DELIVERED ON MAY 11, TO BOTH HOUSES OF PARLIAMENT AT WESTMINSTER

Hon. J. L. RALSTON (Acting Prime Minister): In accordance with a statement I made on Thursday last, I now lay on the table three copies in English and French of the addresses on the occasion of the address of the Prime Minister of Canada to the members of both houses of parliament at Westminster on May 11. As I then indicated, I think it would be the wish of the house that these addresses be printed with the *Votes and Proceedings* of this house.

FISHERIES

ARRANGEMENT WITH NEWFOUNDLAND TO PERMIT CANADIAN FISHERMEN TO LAND PORTION OF CATCH AND SALT

Hon. ERNEST BERTRAND (Minister of Fisheries): I wish to make a short statement regarding a privilege that has been granted to Canadian fishermen. Negotiations have been going on for some time between the Department of External Affairs and the government of Newfoundland with reference to the desirability of permitting Canadian fishing vessels operating on the Grand Banks to land a portion of their catches and salt at Newfoundland ports, following which they would return to the banks for further fishing. They would then pick up their fish and salt before returning to Canada. As the fish gradually pack in the vessel, transferring a portion of the fish catches to shore enables a fuller load to be eventually brought home. The government of Newfoundland has seen fit to grant the request for this year only. The condition attached to their action was that announcement would be made by Newfoundland and

Canada simultaneously. It was agreed that the announcement be made at three o'clock to-day.

As a result of negotiations with the government of Newfoundland, it has complied, for this year only, with a request made to it by the Canadian government. The following conditions are to apply:

1. The privilege is limited to the calendar year 1944, and is restricted to Newfoundland customs ports of entry.

2. The master of each vessel is to report to the collector of customs furnishing that officer with information as to the quantity of salt and fish to be landed together with the location of the premises to be used for storage.

3. The period of storage is not to exceed six weeks or such period as will allow the vessel to finish its baiting and then return to pick up the landed portion of its cargo for conveyance to a Canadian port.

4. The owner, or operator, of the vessel makes application to the Newfoundland fisheries board for a licence to import salt, in which will be stated the quantity to be stored and the purpose for which it is to be used.

TIE-UP OF HALIBUT FISHING FLEETS ON PACIFIC COAST

On the orders of the day:

Mr. THOMAS REID (New Westminster): Mr. Speaker, as conflicting reports are reaching Ottawa regarding the settlement of the difficulty which tied up the Pacific halibut fleet, may I ask the Minister of Fisheries if he has any official information to give the house respecting the settlement of this matter?

Hon. ERNEST BERTRAND (Minister of Fisheries): A telegram was sent to my deputy minister by the president of the fishemen's union, dated May 17, and reading as follows:

Vancouver and Seattle halibut fleets voted to begin fishing to-night. Minor details with regard to delivery yet to be worked out by Seattle. Vancouver fishermen anticipate leaving for grounds May 20.

FOREIGN EXCHANGE CONTROL

RELAXATION OF RESTRICTIONS ON TRAVEL TO THE UNITED STATES

Hon. J. L. ILSLEY (Minister of Finance): I should like to make a statement in connection with the restrictions on pleasure travel under the foreign exchange control regulations.

[Mr. E. Bertrand.]

The traditional freedom of movement between Canada and the United States has contributed very greatly to the neighbourly feeling and understanding between the two countries, and any interference with this freedom could not be lightly undertaken. It was, therefore, with the greatest reluctance that the government accepted the necessity of imposing the travel restrictions in July, 1940, as a means of conserving Canada's United States dollar resources for essential purposes. It is not possible to make an exact estimate of the amount of United States exchange which has been made available for essential war purchases as a result of the restrictions. The amount has, however, been very substantial and there is no doubt that the restrictions played a vital part in seeing us through a period of critical scarcity of United States funds. Those who have had to forego customary visits to the United States may have the satisfaction of knowing that they thereby played no small part in ensuring that exchange considerations have at no time limited our war effort. I should like to pay a tribute here to the good grace with which the travel restrictions have been accepted by the Canadian people and to the intelligent understanding of their necessity shown by all sections of the American public.

Hon. members will recall that on several occasions since the travel restrictions were imposed, both the Prime Minister and I have stated that they would be relaxed as soon as conditions made such a step feasible. It is not yet possible to remove the restrictions entirely, but I am glad to be able to announce that the government now feels that the foreign exchange position is such as to justify some relaxation. Notwithstanding the difficulties with respect to transportation, the government attaches such importance to the resumption of normal friendly contacts betwen Canadians and Americans that it has now decided that moderate amounts of United States funds should be made available to residents of Canada for travel for any purpose. It should be clearly understood that the government can give no undertaking that transportation will necessarily be available for all who may wish to take advantage of the exchange relaxation.

Residents desiring to travel to the United States will still be required to obtain foreign exchange control board permits. Such permits will in future be granted, however, in the following circumstances:

(a) Banks will be given authority to sell up to $75 U.S. and approve a travel permit for travel to the United States for any purpose where the applicant has not obtained a travel permit (except for business or in transit travel) within the preceding six months. In order to meet the case of persons who may wish to make only one trip to the United States during the course of a year, the board will approve applications for up to $150 U.S. for a single trip during a twelve-month period.

(b) Short Form H, which is the common permit used in border communities and which has hitherto authorized the export of $5 Canadian, on condition that the funds may not be spent in the United States except for urban transportation, will be revised to authorize the export of $10, of which not more than $5 may be United States cash acquired as change on previous trips to the United States and the funds exported may be used for any expenditures in the United States connected with the visit there.

The board will, of course, continue to make United States funds available in appropriate amounts where such funds are necessary for travel for business, health or educational reasons.

These relaxations in the foreign exchange control travel restrictions will go into effect as soon as the necessary instructions can be issued by the foreign exchange control board to banks and customs officers. I expect that this will be within the next few days.

Mr. BLACK (Cumberland): Is consideration being given to allowing people from the United States, who wish to come to Nova Scotia for their summer holiday, a greater amount of gasoline? Under the present regulations they are not given enough to permit them to bring their cars to Nova Scotia and return home, with the result that they are not able to make summer visits to that province.

Mr. ILSLEY: The matter of the control of gasoline comes under the jurisdiction of my colleague the Minister of Munitions and Supply.

Mr. FRASER (Peterborough West): Would the United States portion of the train fare have to come out of the $75 which you are allowing people who wish to go to the United States?

Mr. ILSLEY: I think, and I am fairly sure I am correct in this, that transportation by train can be purchased in Canadian funds, so that that would not take any part of the $75 or $150 as the case may be.

Mr. FRASER (Peterborough West): In the past if a bank issued $50 in United States currency, or if a person had a cheque for $50 in United States funds, the United States portion of the transportation, amounting to perhaps $24 or $30, would have to come out of those United States funds.

Mr. ILSLEY: I do not know what the practice was in the past, but I made inquiry as to the very point on which the hon. gentleman based his question, and was informed that transportation costs could be met in Canadian funds, which would be over and above the $75 or $150 as the case may be.

Mr. McCANN: Are there to be any changes in the premium or discount rates?

Mr. ILSLEY: That is a matter of government policy to be announced in due course. None is being announced to-day.

UNITED NATIONS

RELIEF AND REHABILITATION ADMINISTRATION—POSTPONEMENT OF PROPOSED MONTREAL MEETING

Hon. L. S. ST. LAURENT (Acting Secretary of State for External Affairs): An announcement was published yesterday concerning the postponement of the UNRRA council meeting, as follows:

> The director general, Herbert H. Lehman, to-day announced that the central committee had decided to postpone the session of the council of UNRRA which had been scheduled to be held in Montreal on June 23. The postponement was made necessary by the emergency restrictions on travel and telegraphic communications from the United Kingdom which would have impeded effective preparation for the scheduled June meeting by European governments.
>
> The central committee of UNRRA decided to meet at regular intervals to consider when circumstances make it possible to set a definite date for the session. It was agreed that forty-five days notice of any date set would be given to the member governments. When a new date is established, it is contemplated that the meeting will be held in Canada.

We hope, of course, that a meeting of the council of UNRRA may be held in Montreal. September has been mentioned as a possible time, but no definite date can be set as yet because no one knows for what period the restrictions referred to in Mr. Lehman's announcement may have to be enforced.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

ORDERS IN COUNCIL

Mr. DORION:

1. How many orders in council were passed since September 3, 1939?
2. How many orders in council were amended since September 3, 1939?
3. How many orders in council were repealed since September 3, 1939?

Mr. CRERAR:

1. From September 3, 1939, up to and including May 12, 1944, 44,321 orders in council were passed. During the same period approval was also given to 374 treasury boards which contained 24,597 minutes.

2. and 3. Records are kept in the privy council office of all references to, and amendments and revocations of previously passed orders in council by endorsement upon original orders in council affected. Thus, although it can readily be determined whether a particular order in council has been modified, it is not possible to prepare a general statement as to the numbers of orders in council amended or revoked without an exhaustive and protracted survey. It should perhaps be pointed out that the figures given in reply to question No. 1 include a large number of orders in council which amend or revoke previous orders.

WAR CONTRACTS DEPRECIATION BOARD

Mr. COLDWELL:

What is the total of amounts granted by way of special depreciation pursuant to the recommendation of, or under the authority of, the war contracts depreciation board from the creation of the said board until December 31, 1942?

Mr. GIBSON: Awarded 1939 to 31st December, 1942, $73,409,045.70; written off to 31st December, 1942, $60,479,138.26; to be written off 1943 to 1949, $12,929,907.44.

WARTIME PRICES AND TRADE BOARD—BUILDING BY-LAWS

Mr. CHURCH:

Has the attention of the government been called to a decision of His Honour Judge Klein, of Toronto, that order 200 of the wartime prices and trade board superseded municipal building by-laws in Toronto, and will any action be taken to remove this control, to aid housing?

Mr. ABBOTT: Order 200 of the wartime prices and trade board was designed to ensure the maximum use of existing housing in critically congested areas. It permits householders to let or sublet such portions of their homes as they do not require for their own needs, notwithstanding any prohibitory provision in leases, deeds or municipal by-laws. It does not, however, permit structural alterations that would offend municipal by-laws.

His Honour Judge Klein held that order 200 had the legal force to achieve the purpose for which it is designed. No immediate action is contemplated to remove this control as the order has proved to be a definite aid in making available accommodation that otherwise could not have been offered for rental. Moreover, the order has no apparent effect on new construction.

SCRAP RUBBER

Mr. WINKLER:

1. Has the government purchasing agency (Fairmont) ceased to buy scrap rubber? If so, when, and why?
2. How much scrap rubber is in the possession of the government, and at what price is it for sale?
3. By years, in the past four years, how much has been accumulated, and how much sold?
4. For purposes required, how long will accumulated stock piles of scrap rubber last?

Mr. CHEVRIER:

1. (a) and (b). Fairmont ceased to purchase scrap rubber on February 15th, 1944, with the exception of certain tire parts resulting from the splitting of tires purchased by the company from the rubber reserve and resold to reliner makers in Canada. This will be concluded as soon as the present contract expires.

(c) The stock of scrap rubber is adequate for present needs.

2. (a) Inventory as at April 30, 1944—20,440 short tons. Unsold inventory as of April 30, 1944—10,868 short tons.

(b) Prices depend on the grade of scrap rubber concerned and are based on prices for equivalent grades in the U.S.A.

3. Scrap rubber accumulated: April 1, 1942 to March 31, 1943—23,862 short tons. April 1, 1943 to March 31, 1944—21,712 short tons.

Sales of scrap rubber: April 1, 1942 to March 31, 1943—14,298 short tons. April 1, 1943 to March 3, 1944—10,044 short tons.

4. The stock of scrap rubber held by Fairmont Company including stocks in the hands of Canadian reclaimers is considered to be sufficient for 18 months' to two years' supply.

COST OF VICTORY LOAN CAMPAIGNS

Mr. CASTLEDEN:

1. What was the total cost of the 4th and 5th victory loan campaigns?
2. How much of this was expended for, (a) commissions; (b) advertising; (c) radio programmes; (d) salaries; (e) living and travelling allowances; (f) rentals; (g) public functions?
3. What was the total amount raised in the 5th victory loan?

Mr. ABBOTT:

	4th Victory Loan	5th Victory Loan
1. Total cost	$12,059,209 34	$ 11,817,210 47
2. (a) Commissions to salesmen	2,369,625 42	2,687,315 46
Remuneration to dealers	3,587,350 00	3,220,875 00
Remuneration to banks, trust and loan companies, etc	2,906,083 63	2,328,641 23
(b) Advertising and publicity (excluding radio)	1,308,577 41	1,450,179 37
(c) Radio	135,955 74	126,802 32
(d) Salaries	364,158 26	554,599 63
(e) Travelling expenses (including living allowances)	335,698 28	363,770 57
(f) Office rental, light, heat and janitor service	65,475 60	86,455 23
(g) The records of the national war finance committee are not maintained on such a basis as to disclose the amounts expended on "public functions". Such expenditures are included in "organization expenses" amounting to $37,202.28 in the 4th Victory Loan and $61,021.27 in the 5th Victory Loan and in "advertising and publicity".		
3. Conversions	.....	188,036,300 00
Cash	.....	1,383,275,250 00
Total (subject to final verification as at May 31, 1944)	.....	$1,571,311,550 00

Note: The expenditures listed in 1 and 2 above are to April 30, 1944.

[Mr. Abbott.]

DOMINION ARSENALS, LINDSAY—OIL FURNACES

Mr. CASTLEDEN:

1. Have the oil furnaces installed at dominion arsenals at Lindsay, Ontario, since 1939, been used since their installation? If so, for what period of time?

2. What was the total cost of installing and equipping this arsenal with oil furnaces?

Mr. CHEVRIER:

1. (a) Yes.

(b) All oil furnaces installed since 1939 have been used with the exception of one in the brass mill representing 1·1 per cent of the total investment. These have been in continuous use since installation. Those in the shell plant have not been used continuously, their use being dependent upon available orders for forged shell. Their use however has covered the major portion of the time since their installation.

2. $278,996.04.

MUNITIONS AND SUPPLY—ARMY ENGINEERING DESIGN BRANCH

Mr. KNOWLES:

1. How many persons are employed in the army engineering design branch of the Department of Munitions and Supply?

2. What percentage of Canadian war production, during the past year, has been tested by this branch?

Mr. CHEVRIER:

1. 194 as of April 30, 1944.

2. Army engineering design branch is not primarily a testing branch, and it is not possible, except on broad lines, to relate its testing work to Canadian war production of the past year. Check testing of production vehicles is the function of the inspection board of the United Kingdom and Canada as part of their inspection for acceptance. The function of A.E.D. Branch is the design and development of army vehicles, both armoured and unarmoured, and the coordination and relation of these designs to production facilities. The testing of these vehicles and components thereof which is carried out by army engineering design branch is an integral part of design and development work. On new designs it precedes production.

The army vehicles referred to above are for the account of the various united nations, the British ministry of supply being the department's principal customer. In dollar value these vehicles represented between 20 and 25 per cent of Canadian war production during the past year.

DOMINION FUNDS IN CHARTERED BANKS

Mr. BLACKMORE:

What was the greatest amount of money owned by the dominion government held in each of the chartered banks in 1939, 1940, 1941, 1942 and in 1943?

Mr. ABBOTT: It is assumed that the question refers to the dominion government's balances with the chartered banks. In the years 1940, 1941, 1942 and 1943, the largest balances are held following dominion loan issues, the proceeds of which are deposited in the banks upon which are drawn the cheques issued by loan subscribers in payment for their subscriptions to the loans. The figures for New York balances in 1939 and 1943 are also abnormally large, due to the inclusion of loan proceeds being held to meet maturing or called issues. New York balances are held in the main to meet interest payments and fluctuate according to the interest payment dates.

The following table gives the maximum balances of the dominon government with each individual bank during the years requested:

Canada	1939	1940	1941	1942	1943
Bank of Montreal	$55,916,766 12	$79,525,508 67	$165,137,516 65	$200,502,997 57	$264,243,325 46
The Bank of Nova Scotia	18,309,729 65	28,150,813 77	54,190,121 35	60,295,128 22	73,639,110 60
The Bank of Toronto	9,659,108 24	19,848,720 27	38,030,359 45	45,577,778 58	52,375,644 11
La Banque Provinciale du Canada	3,415,008 35	3,573,322 32	4,750,102 23	5,107,431 94	8,746,439 83
The Canadian Bank of Commerce	41,958,386 83	51,476,789 27	116,937,079 33	146,743,899 82	180,206,826 92
The Royal Bank of Canada	51,963,718 00	69,749,170 12	147,060,476 66	210,771,255 40	234,043,261 56
The Dominion Bank	9,796,260 17	13,596,585 69	32,403,024 23	36,700,151 46	40,351,753 85
Banque Canadienne Nationale	9,778,786 01	7,872,623 47	16,460,021 22	23,597,275 92	30,655,943 25
Imperial Bank of Canada	10,715,468 10	15,887,925 85	37,802,792 20	47,680,170 96	52,116,796 57
Barclays Bank (Canada)	1,951,401 16	658,592 61	2,921,865 91	2,375,148 97	7,524,371 15
New York					
Bank of Montreal [1]	41,353,500 00	4,918,900 00	14,505,000 00	5,730,000 00	118,802,000 00
London					
Bank of Montreal [1]	£ 817,000-0-0	£3,722,000-0-0	£ 960,000-0-0	$ 385,000-0-0	$ 4,946,000-0-0

[1] Bank of Montreal is the government of Canada's fiscal agent in London and its paying and redemption agent in New York.

INVENTIONS AND DISCOVERIES

Mr. NOSEWORTHY:

1. Is it a fact that the technical employees of crown companies have been required as a condition of employment to sign away all rights to inventions and discoveries?

2. What changes have been made in agreements between His Majesty's government and private operating companies of crown plants that now allow an inventor to retain certain rights to his invention or discovery?

3. Is it a fact that changes regarding inventions were written into the agreement signed by the Welland Chemical Works, Ltd., a crown company, and the American Cyanamid Company and the North American Cyanamid Ltd. on February 24, 1944; said agreement to take effect April 1, 1944?

4. What action has been taken with regard to the management of the Welland Chemical Works Ltd. having withheld from their technical employees the fact that they now retain part ownership in patents that they have developed on crown property?

Mr. CHEVRIER:

1. No.

2. The general principle applicable is set forth in order in council P.C. 2128 of March 27, 1944 (published in Canadian War Orders and Regulations 1944, volume I, p. 695). This was not a change but rather the establishment of a uniform principle.

3. Welland Chemical Works Limited is not a crown company. As appears from order in council P.C. 2128, referred to in 2, the provisions thereof would apply, notwithstanding the provisions to the contrary in any agreement.

4. This question cannot be answered in its present form because it is based on an assumption which may or may not be a fact. In any event, the general principle is laid down in P.C. 2128, and as such, the provisions relating to inventions by employees of crown companies are public knowledge.

NAVAL SERVICE—"MICMAC" AND "NOOTKA"

Mr. HANSON (York-Sunbury):

1. Is the Tribal class destroyer *Micmac*, launched in Halifax last October, yet ready for sea?

2. If not, why not?

3. Were the machinery and electrical equipment for the *Nootka*, recently launched, on hand for installation when the ship was launched.

4. If not, why not?

5. Were changes made in regard to furnishings for the *Nootka*, after polished, hand finished wooden furnishings had been installed?

6. If so, what changes, why were they suggested and on whose orders?

Mr. MACDONALD (Kingston City):

1. No.

2. It normally takes approximately twelve months from date of launching to complete a destroyer of this type, but a longer period will be required for this ship largely due to delays in completing main propelling machinery which is of a type never before manufactured in Canada. This delay is partly due to the many difficulties which have had to be overcome in the manufacture of such new equipment, and also to shortage of skilled labour available for the work.

3. Auxiliary machinery was on hand and necessary electrical equipment for progressing of ship as required, but not main propelling machinery.

4. Main propelling machinery was not available for reasons given in answer 2.

5. No.

6. Original specifications for ships of this class did call for wood furniture, but because of fire hazard Admiralty, U.S.N. and Canadian naval policy has been changed to eliminate all possible wood work in naval ships and steel furniture is being fitted wherever possible. Some wood was cut for furniture for this ship and a few pieces assembled, but none was polished or installed.

QUESTIONS PASSED AS ORDERS FOR RETURN

EXIT PERMITS TO MALE CANADIANS

Mr. DIEFENBAKER:

How many exit permits allowing male Canadians between the ages of 18 and 38 to leave for the United States have been granted, by provinces, between the months of September, 1943, and March, 1944, both inclusive?

PENSIONS AND NATIONAL HEALTH—HOSPITALS

Mr. KNOWLES:

1. What was the total number of patient-days in each of the hospitals under the direction of the Department of Pensions and National Health for the year 1939?

2. What was the total number of patient-days in each of the hospitals under the direction of the Department of Pensions and National Health for the year 1943?

3. What was the total number of medical personnel employed in each of the above hospitals for the year 1939, (a) full time; (b) part time?

4. What was the total number of medical personnel employed in each of the above hospitals for the year 1943, (a) full time; (b) part time?

Mr. MACKENZIE (Vancouver Centre): Return tabled.

CANADIAN FORCES—ADDITIONAL PAY FOR PROFESSIONAL QUALIFICATIONS

Mr. BENCE:

1. (a) What additional pay for professional qualifications is awarded to legal officers in the R.C.A.F.; (b) what additional pay for professional qualifications is awarded to legal officers in the R.A.F.; (c) what additional pay for professional qualifications is awarded to medical officers in the R.C.A.F.; (d) what additional pay for professional qualifications is awarded to medical officers in the R.A.F.?

2. (a) How many officers employed as legal officers hold the rank of wing commander, or above, in the R.C.A.F.; (b) how many officers employed as medical officers hold the rank of wing commander, or above, in the R.C.A.F.?

3. (a) What is the maximum rank provided in the establishment of command headquarters for assistant judge advocate-general, or highest rank of officers employed on legal duties; (b) what is the maximum rank provided in the establishment of command headquarters for command medical officer, or highest rank of officers employed on medical duties; (c) what is the maximum rank provided in the establishment of command headquarters for command accounts officer, or highest rank of officers employed on account duties; (d) what is the reason for the difference in ranks of the answers to (a), (b), and (c), if any?

4. Is there a shortage, or a surplus, of legal officers in the R.C.A.F., or is the supply of such officers adequate?

5. Is there any difference in the rates of pay between that of an army officer employed as a legal officer, and that of a R.C.A.F. officer of comparable rank, employed on comparable duties? If so, (a) what is such difference; (b) what is the reason for such difference?

UNITED STATES FARM CHEMURGIC CONFERENCE—MANUFACTURE OF SYRUP FROM WHEAT

Mr. TUCKER:

1. Was the government or any department or agency thereof represented at the United States farm chemurgic conference held recently at St. Louis, Mo.?

2. Has the process for the manufacture of syrup from wheat reported at said conference to have been developed at the United States government's northern research laboratory at Peori, Ill., been investigated by any agency of the Canadian government with a view to promoting its use, if found feasible, in beet sugar plants or elsewhere in Canada?

FIRE AT PIER 21, HALIFAX

Mr. HANSON (York-Sunbury):

1. Did S. S. Wright, Nova Scotia fire marshal, submit a report to Ottawa covering the fire at pier 21, Halifax?

2. If so, to what department was such report submitted?

3. What were the findings of the marshal as to (a) what took place after the fire was discovered; (b) what equipment was stored there; (c) where the fire originated?

WAR RISK INSURANCE

Mr. FRASER (Peterborough West):

1. What was the amount of war risk insurance on grain?
2. Was there any war risk insurance issued on dominion government property?
3. If so, on what property and where is it located?
4. What was the amount of war risk insurance sold in each province?
5. In what provinces were war risk insurance claims paid?

SIXTH VICTORY LOAN

AMOUNT SUBSCRIBED AND NUMBER OF APPLICATIONS

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): It would appear from statements in the press that Canada's sixth victory loan campaign has been concluded with results which constitute a record and reflect great credit upon the Canadian people. I should be glad if the Minister of Finance would inform the house as to the amount subscribed in excess of the objective, together with such other details as may be of public interest at this time.

Hon. J. L. ILSLEY (Minister of Finance): It is impossible to give figures even approximating accuracy until at least a week after the loan closes. However the figures to date are as follows: The number of subscriptions of which we have information amounted up to yesterday to 2,761,000, as against 2,607,000 applications at a comparable period after the last loan. According to our records as of yesterday the amount subscribed in the present loan was $1,356,000,000 as against $1,338,000,000 in the last loan at this date. As I have said, these figures are still incomplete. I expect within a few days to be able to give a much better indication of the final results. However the leader of the opposition is correct about this being a record amount and record distribution, and, as he has said, the people of Canada are entitled to great credit for the way in which they have supported the loan.

Hon. J. L. RALSTON (Acting Prime Minister): Mr. Speaker, I did not know this matter was coming up to-day, but since it has been mentioned I should like to say that very shortly after the loan closed I received a telegram from the Prime Minister dealing with a number of matters, and closing with a reference to the victory loan. Now that an announcement has been made to the house respecting the loan I think it would be acceptable and appropriate if I were to read this last paragraph from the Prime Minister's telegram. He says:

I should like to add my most sincere congratulations on the magnificent response of the Canadian people to the victory loan.

[Mr. R. B. Hanson.]

ALASKA HIGHWAY

OPENING BY UNITED STATES MILITARY AUTHORITIES OF OFFICE IN VANCOUVER

On the orders of the day:

Mr. PAUL MARTIN (Parliamentary Assistant to the Minister of Labour): Mr. Speaker, I wish to supplement my reply to the hon. member for Yukon (Mr. Black) given on Monday last regarding questions submitted by him to the acting Minister of Labour on May 12, concerning the recruitment of labour for the Alaska highway. Since replying to the hon. gentleman, he has turned over to me a press clipping from the Vancouver *Sun*, dated May 10, from which I gather he has based his questions, at least in part.

Officials of the department in Ottawa have again communicated with Vancouver national selective service officials, in particular with Mr. McKinstry, the regional director of national selective service of British Columbia, who was referred to in the newspaper article in question. There is nothing further that I can add in addition to the information which I gave to the hon. gentleman on Monday last. His first question was:

Is it a fact that United States military authorities in charge of the Alaska highway have opened an office in Vancouver, British Columbia, to interview workers to be sent to them by national selective service at Vancouver for work on the Alaska highway?

The answer is no. The second question is:

Is it a fact that the Americans are trying to hire at Vancouver 1,200 men for maintenance work on said highway and 300 men for maintenance work on the oil pipeline from Norman Wells to Whitehorse, Yukon?

The answer, in so far as national selective service is concerned is no. The third question is:

Is it a fact that on February 22 of this year, national selective service at Vancouver had 7,300 jobs awaiting men and that on May 1, they had 12,300 jobs awaiting men—all apart from the American attempt to hire 1,500?

The answer is no. The figures quoted by the hon. gentleman as being applicable to Vancouver in fact refer to the Pacific region as a whole rather than to the city of Vancouver.

While the Vancouver *Sun* article is a mixture of fact and conjecture, it is correct in pointing out that an acute labour supply shortage is developing in the Pacific region—as in most areas in Canada to-day—and that the problem

of supplying labour for work projects of all kinds in the northern areas in the west will aggravate the supply situation. This matter is receiving active consideration by national selective service, and I can assure the hon. member full consideration will be given to the merits of competing requests for labour supply before instructions are given to supply men for work on the northern projects.

CANADIAN FORCES

CONSCIENTIOUS OBJECTORS—FORT OSBORNE BARRACKS, MILITARY DISTRICT NO. 10

On the orders of the day:

Mr. E. G. HANSELL (Macleod): Mr. Speaker, I should like to ask a question of the Minister of National Defence. Has a report been made by Major General McKenzie respecting an investigation of alleged mistreatment of conscientious objectors held in Fort Osborne barracks? If so, or if not, will the minister lay on the table or report to the house the findings of Major General McKenzie?

Hon. J. L. RALSTON (Minister of National Defence): I have received a reply from Major General McKenzie. Accompanying the reply were the proceedings of the court of inquiry, which as yet I have not had the opportunity to examine. The report of Major General McKenzie fully corroborates the preliminary report I read to the house the other day. I do not mind at all if my hon. friend would like to see the report made by the court of inquiry; but as a matter of precedent and principle I do not think it is advisable to lay upon the table of the house proceedings of courts of inquiry.

WAR APPROPRIATION BILL

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

The house resumed from Tuesday, May 16, consideration in committee of a resolution to grant to His Majesty certain sums of money for the carrying out of measures consequent upon the existence of a state of war—Mr. Ilsley—Mr. Bradette in the chair.

POST OFFICE DEPARTMENT

Canadian postal corps, $385,360.

The CHAIRMAN: At the last sitting of the committee the post office item was passed. However, the minister has agreed to answer any questions that may be asked.

Mr. COLDWELL: Would the minister make a statement about a report which appeared in the newspapers last Monday to the effect that overseas parcels dispatched from this region on Saturday and over the week-end were destroyed by fire? I know they were not destroyed, because I had sent a large parcel, and made inquiries. I think the public should be informed.

Hon. W. P. MULOCK (Postmaster General): Mr. Chairman, the report which appeared in the press referred to one of the mail cars on the run between Montreal and Saint John. The mail in that case was principally for transfer at McAdam, New Brunswick. The upper part of the car was totally destroyed. The contents were mostly news and newspapers. There were no registered letters, and, so far as we have been able to ascertain, no parcels for overseas. The car next to the damaged car was filled with overseas mail, but it was saved and escaped injury. The damaged car is a total loss. Inspectors from the Post Office Department and the railway company have investigated the matter, but it is a total loss, and it is very doubtful if we will be able to ascertain the actual cause of the fire.

Mr. TUSTIN: Before the house adjourned on Tuesday night I rose to ask the Postmaster General a question but, to my surprise, I saw him in full flight—almost on the double—heading out of the house. I must admit that the great burst of speed demonstrated by the Postmaster General actually took my breath away, and I was not able to ask the question at that time. I notice this item this year is $385,000 as compared with $183,000 last year. I take it that this covers the Canadian postal corps which handles overseas mail?

Mr. MULOCK: Yes.

Mr. TUSTIN: I have had a number of complaints in the past from men on active service who say they have received several parcels at a time. I have also had letters from men overseas who say they have received as many as fifteen or twenty letters at one time. Since the item has been increased I assume there is more staff employed. First, will the minister break down the item of $385,000, and, second, will he give us a report as to whether any progress is being made in speeding up delivery services to boys on the active fronts?

Mr. MULOCK: There is a decrease of $19,497. The amount of the vote last year was $404,857; this year it is $385,360, made up as follows:

Salaries—temporary assistance....	$ 6,660
Cost of living bonus.....	1,080
Departmental contributions to unemployment insurance fund.....	120
Travelling expenses	2,000
Telegrams and telephones.....	400
Sundries	100
Printing and stationery.....	200,000
Equipment and maintenance.....	25,000
Mail bags for overseas mail.....	150,000

With regard to the second part of the hon. gentleman's question, I think I can give him some information which will be of interest. Since March 1 the surface mail time for mail to the United Kingdom has been reduced from an average of thirty days to an average of fifteen days. The time for air letters has been reduced from an average of ten days to eight days. There has been no change in the average time of delivery of parcels. In connection with surface mail to the Mediterranean area, there has been a reduction from an average of fifty-nine days to an average of twenty days. The time for air letters has been reduced from an average of twenty-four days to an average of sixteen days. Airgraph letters take about four days longer because of the processing. The time for parcels has been reduced from an average of ninety days to an average of forty days. The arrangements which I mentioned in my statement of February 28 have now come into effect.

One reason for the reduction in the average time for surface mail is that a great part of this mail, paid for at surface rates, is now carried by air without any additional charge. We have been able to effect a reduction in the cost of processing airgraph messages, and this reduction will be passed on to the members of the armed forces and the public. The committee will remember that in 1942 airgraph letters were reduced from ten cents to six cents to members of the armed forces, and this rate will now be reduced from six cents to five cents. Civilian airgraph messages will be reduced from fifteen cents to ten cents.

Mr. TUSTIN: I am glad to get this information from the minister. However, what I really want to know is whether the mail is actually getting to the men on the active service fronts, or is accumulating as it has in the past. I do not know what caused the accumulation which would result in a man getting as many as fifteen or twenty letters at a time. Can the minister assure us that mail is going to the men on the active fronts without delay?

Mr. MULOCK: My officials and the officials of the postal corps advise that there is no backlog, that all accumulations were cleared up some time ago. Delays may occur for reasons beyond our control. The hon. member will realize that in the case of men going into reinforcement depots and men who are casualties in hospital, some delay occurs, but this matter is under intense study by members of the postal corps, both overseas and in Ottawa. I want to assure him that everything humanly possible is being done to speed it up. The postal corps overseas cannot deliver mail until they find where a man is, and it may happen that a man in a reinforcement depot would receive a lot of mail and parcels at one time when the authorities finally located him.

Item agreed to.

Mr. BLACK (Cumberland): I should like to ask the Postmaster General what are the rates for air mail service and regular mail service to Bermuda as compared with rates to Great Britain. I have had complaints that the weight allowed to Bermuda is much less than that applicable to Great Britain, the rates being double or more than double. Bermuda is part of the British empire and her relations with Canada are most intimate. I should like to know the justification for this discrimination in connection with mail service to Bermuda, and what steps, if any, are being taken to reduce these excessive rates and increase the weight allowance.

Mr. MULOCK: I would advise the hon. member for Cumberland that the mail to Bermuda is carried by United States planes and the rates are set by the pan-American postal union. What he says is quite true; the rates are higher.

DEPARTMENT OF PENSIONS AND NATIONAL HEALTH

Pensions branch—treatment and pension examinations—members and ex-members of the armed forces (present war), $9,000,000.

Mr. WHITE: I should like to make a few remarks during the general discussion period in connection with a number of matters which come under the pensions department. I hope when the minister replies he will answer the various points that I bring up.

The first point has been raised before in the house. I refer to the insurance principle as applied in the Pension Act. All members are aware that what is known as the insurance principle was inserted in the Pension Act shortly after the last war and remained in effect until some time in May, 1940. At the beginning of the present war the government announced that all benefits of the Pension Act would apply to all soldiers in this war, but, for some reason which to my knowledge has never been disclosed, a change was made by which the insurance principle would not apply to soldiers serving in Canada. It is quite true that some short time ago, after a committee of this house had investigated certain pension matters, an amendment was passed known as subsection 3 of section 11,

whereby the pension board could grant pensions on compassionate grounds. I submit that that is not good enough. The type of case that comes under section 11 is the hardship case, and this type of case is dealt with solely at the discretion of the pension commission. I submit to the minister that a young Canadian who enlists in the army, is qualified and ready to proceed overseas and fight, and is regarded by the general public as a soldier likely to proceed overseas, is entitled to the full benefit of the Pension Act, including the insurance principle. As I say these hardship or compassionate cases are only of a temporary nature. They are in the discretion of the pension board and the provision may be cancelled at any time. It seems to me only reasonable that the minister when he makes his reply should give some explanation as to why this change was made in the Pension Act.

I would like to call to the minister's attention a small booklet. There is no date on it, but it was issued, I believe, some time in 1940 or 1941 under the authority of the Canadian pension commission. On page 1 of this booklet there is this significant statement:

> The keystone of the pension legislation known as the insurance principle, is contained in sections 11 and 12 of the Pension Act, which in part reads as follows:—

Then it proceeds to quote the sections. On page 3 there is a little insert which reads as follows:

> Please insert the following after section 11 (1) on page 3 "Notes on War Pensions."
> Note:
> In respect of service in Canada after the 21st May, 1940, pension may be awarded only if disability or death is the direct result of the performance of military duties.

I submit that the procedure is hardly consistent with this statement prepared and issued by the board of pension commissioners, that the "keystone of the pension legislation" is "known as the insurance principle." Those are very significant words. It seems to me that our whole pension legislation is built around this one principle.

I understand that a soldier who serves in England or anywhere beyond Canada is covered by all the provisions of the Pension Act, including the insurance principle. But a soldier who enlists for overseas service has nothing to say as to the part of the world in which he is going to serve. He is obliged to go where he is sent, and if his superior officers decide that he is to remain in Canada for service, the soldier can do nothing about it.

While I do not like to cite individual cases, I will refer to one case to show what happened to a soldier who was injured in Canada and who is not covered by the Pension Act. A young lieutenant went into camp at Connaught Ranges in July, 1943. On the 29th of July, at about seven o'clock in the evening, while he was within the lines of his own regiment, he stepped on a football—he was not playing football—and as a result suffered an injury to his foot and knee. This officer was in the Ottawa Rideau hospital and the Canadian military hospital at Kingston from July 29, 1943, until October 28, 1943. He was unable to return to work until November 8, 1943. He will have a permanent disability, despite all the efforts of the army medical men to assure him that the disability must be from some old injury. During the entire period from July 29, when he suffered the injury, until he returned to work on November 8, 1943, he did not receive any pay or allowances of any kind, nor did he receive any payment of any kind from the army, unless some such payment has been made since May 1, 1944, as to which I have no knowledge. Neither will this officer receive any pension. He is married, and during the fifteen or sixteen weeks he was in military hospital and unable to work, his family had to manage to get along as best they could.

Mr. MACKENZIE (Vancouver Centre): Was he discharged at that time?

Mr. WHITE: He was in the reserve army and was at camp Connaught Ranges for two weeks. In a case such as this there is no sense of fairness or justice, and the same circumstances can be applied to many other cases in the active army. I think I am correct when I say that other hon. members must have had many of these unfortunate cases brought to their attention.

A soldier on active service in Canada who has the misfortune to suffer some injury while he is not on duty or is on leave is entitled, in my opinion, to come under the insurance principle. A soldier when he is on leave and while he is not on duty is still in the armed forces. He is paid by the army; he wears his uniform; he is subject to military law and military discipline, and can be recalled from leave at any time. More important still, if this soldier had never been in the army he would not have been on leave and would not have been at that particular place when the accident happened. I have always felt that the army or the pension authorities should assume some responsibility for whatever happens to a soldier while he is serving.

Once a soldier leaves Canada, the department recognizes liability if he is injured while on duty, while he is on leave, and while he is not on duty. In this connection I wish to

quote from another little booklet issued by the board of pension commissioners, called "The Duty of a War Pension." This booklet was prepared by John L. Todd, who is described as "lately a member of the Board of Pension Commissioners for Canada." On page 6 of this booklet I read this:

> Because it is often impossible to decide whether the disability is due to the risks of a soldier's war service or to the accustomed risks of existence which continue during his service, pensions are usually paid for all disabilities incurred during service.
>
> The difficulty of doing otherwise makes it justifiable to accept all detriments affecting a soldier during his service as being due to war risks and to pay pension in compensation for them.

Mr. MACKENZIE (Vancouver Centre): What is the date of that booklet?

Mr. WHITE: There is no date on either of the booklets from which I have quoted, but I think it must have been issued after May 21, 1940. They both came to me at the same time from the pension commission. Would not the minister think so?

Mr. MACKENZIE (Vancouver Centre): I may be wrong, but I think the last booklet from which my hon. friend quoted was issued in 1919.

Mr. WHITE: I got them both at the same time. The one entitled "Notes on War Pensions" states that it was issued by the authority of the Canadian pension commission. The booklets are bound in identically the same manner, have the same style of printing, and I received them both at the same time. I trust that when the minister speaks he will explain why this change was made in 1940 and why at the present time the insurance principle cannot be applied.

I would ask the minister also to explain just what happens to a soldier who is wounded and who later receives a pension, is discharged from the army and comes under the control of the minister's department. Naturally, when the soldier is discharged from the army his pay and allowances cease. During the period this soldier is in hospital receiving treatment, and before his case is decided, what is the amount of pay or allowance, or whatever you wish to call it, received by the officer, non-commissioned officer or private? Is this payment less than his former pay and allowances, and if it is, will the minister explain why? Further in the same connection, during the time that a soldier is taking treatment in hospital, is there a deduction of $10 a week or some other sum to cover hospital allowances or treatment? If there is any such deduction, will the minister explain the matter?

Another point which has been discussed every time the subject of pensions is before the house is the old question of the onus of proof when a soldier applies for a pension. I cannot understand how the pension board or any branch of the minister's department can evade their liability when a soldier enters the army in an "A" category and is later discharged in a lower category after having service overseas and is held not eligible for a pension. I think the minister will be the first to agree that when a man goes into the armed forces he receives a most rigid and complete examination, together with X-rays and a careful and scientific examination of eye, ear, nose, throat and other parts of the body. If the army is content to accept that man in "A" category, how in the world can the onus of proof be shifted over to the soldier when he is later discharged in a lower category and the pension board rules he is not eligible for pension? When the poor private soldier appears before the pension board he is faced with an array of probably some of the best medical brains in Canada. Why should he have to pit himself against the entire pension board? I know the minister will probably answer, as he did a short time ago in this house, that the soldier is given the benefit of the doubt. I do not think that is satisfactory. The pension board should adopt a very lenient attitude in all such cases, instead of putting the man off by making a decision to the effect that the injury was in the pre-enlistment period, that it was wilfully concealed on enlistment, or that it was not aggravated by military service.

Up to date there have been a very large number of men discharged from the army—I believe somewhere around 110,000 or 120,000.

Mr. MACKENZIE (Vancouver Centre): 135,000.

Mr. WHITE: Yet according to a return made last session, the actual number receiving pensions is very small. This is especially true of mental and nervous cases. I for one feel that the pension board has not adopted or maintained a very sympathetic attitude in such cases. It is not fair and just that the soldier who has suffered a head injury overseas should be brushed aside by the board, treated as a "lead-swinger," told that his injury is more or less imaginary, and that the best thing he can do is to forget about it and go back to work.

I should like to outline briefly to the minister one of these very distressing cases. A private soldier of the 48th Highlanders became a dispatch rider while in England. During an air raid his motorcycle crashed and he suffered an injury to his head and one knee. He was kept in hospital for a long period; later he

was returned to Canada and discharged in "E" category without a pension. This man was unable to work, because he had dizzy and fainting spells. He was advised to take a vocational course at the collegiate institute in the city of Belleville. He started the course, but after he had had a fainting spell he was advised by the director that it would not be safe for him to continue. This soldier was in "A" category when he enlisted; now, after a long period of service overseas, he is discharged in "E" category without a pension. He had certain qualifications as a stationary engineer, and I would have thought that if he was able to work there would have been a place for him in the army, but the army medical authorities decided that he was not fit to carry on in the army. When he came before the medical authorities of the pension board they were unable to find any disability; in their opinion he was quite able to go to work; he was told to do so, and so far he has received no pension.

I am sure that other hon. members have knowledge of some of these distressing mental cases where soldiers have suffered head injuries. I do not think it is good enough for the pension board to dismiss lightly this type of claim, nor do I believe that that is the kind of treatment which the people of Canada expect discharged veterans to receive. I suggest to the minister that he should have a review made of nervous and mental cases with a view to providing adjustments where no pension has been awarded. It appears to me that in all too many cases the allowances and the pensions awarded by the pension board are not granted to soldiers as a matter of right, as they should be, but are handed out in a very grudging manner; that any concessions which are made by the pensions branch, as announced by the minister from time to time, are made only after long delay, after there have been many debates in this chamber, after the press has taken up the matter, after much pressure from the legion and other organizations interested in the soldier's welfare.

An example of this may be seen in the announcement made by the minister on Monday or Tuesday of this week. These benefits which have been conferred at this late date are at least four years overdue, and they have been pressed for by members of this party and by the legion ever since the war started.

Mr. MACKENZIE (Vancouver Centre): More than four, I am afraid.

Mr. WHITE: Perhaps I should have said twenty-four years.

Mr. MACKENZIE (Vancouver Centre): That is right—thirteen or fourteen.

Mr. WHITE: Last year when the minister's estimates under the war appropriation bill were before the house there was a debate on Christie street hospital. Everyone can remember what took place, and the various announcements which were read in the press after the house closed, as to what the future status of Christie street hospital would be. Everyone remembers the many excuses and explanations made by the minister and his department as to why this old boiler-factory of a hospital on Christie street would have to remain as a hospital for our soldiers. The minister insisted time after time that an extension would be built. I remember one excuse which was given was that because of priorities the necessary material could not be obtained for a new hospital. But finally, at a very late date, the minister had to bow as gracefully as he could to the public clamour of disapproval, and announced that a new hospital would be built north of Toronto, known as Sunnybrook hospital. I hope the minister will give the committee full particulars of what has been done further in the past year. But at the same time I would say to him that he and his department, and those who preceded him, cannot be excused for the long delay in providing fit and proper hospital accommodation for Canadian soldiers. It is quite true that since the debate last year some few changes have been made at Christie street hospital, but no amount of money or changes or improvements will ever make Christie street hospital a fit place for soldiers. It is a disgrace to Canada, and no credit to any government that is satisfied to keep in such a place wounded soldiers from overseas.

As an example, only last week-end I was talking to a graduate nurse who had trained and practised in various hospitals in New York city, many of them in the poorer sections. This nurse had just made a visit to Christie street hospital to see a relative who was seriously ill there.

Mr. SLAGHT: Name.

Mr. WHITE: Name of whom?

Mr. SLAGHT: The nurse. It may be a fairy tale.

Mr. WHITE: If the hon. member thinks it is a fairy tale I will say I have seen this with my own eyes; I do not have to depend on anybody else.

Mr. SLAGHT: That is a good deal better.

Mr. WHITE: I saw it with my own eyes. I do not need to call on anybody to tell me

these things, because I have seen them. I will tell the hon. member for Parry Sound about a few things that I saw with my own eyes; nobody told me about them at all.

Mr. SLAGHT: Stick to those.

Mr. WHITE: You just keep quiet and you can tell your fairy tale later, if you want to. I will tell the hon. member, who lives in the city of Toronto, a few things about the Christie Street hospital, in case he has never been there.

Mr. MACKENZIE (Vancouver Centre): I have been there several times.

Mr. WHITE: I was referring to the hon. member for Parry Sound. It is his misfortune that he lives in Toronto. In this hospital—

Mr. MacNICOL: His living there is an honour to the city of Toronto.

Mr. SLAGHT: The hon. member for Hastings-Peterborough (Mr. White) will not please seven hundred thousand people with that remark.

Mr. WHITE: This hospital was an old factory; it was taken over by the government twenty-five years ago and patched up from time to time. There is accommodation for 1,370 patients. The building is far from fireproof, and if anybody has ever ridden up and down the elevators, just let him think what would happen in case of fire. Look about and you will see the many articles that would burn in that building. The wards are bigger than any hospital ward I have ever seen. One ward must have at least seventy-five patients in it, with a row of beds around the four walls and rows up and down the centre. The location is simply ideal for a hospital, because it is right beside the railway tracks, and street cars run close to it. There is also a choice collection of factories surrounding it, many of them working night and day. If any hon. member will visit this hospital during warm weather when the windows are open he will find a cloud of soot and smoke floating through the wards, and he will be able to write his name on many articles of furniture. There is an eternal clatter of street cars and factories and other noises. There are no trees or grounds surrounding the hospital about which the soldiers could walk. There are no recreation rooms, no places where soldiers may meet their friends. As I mentioned last year when speaking on this matter, the toilets and washrooms are something that nobody should be asked to tolerate.

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

Mr. WHITE: When I finish the hon. member may ask any questions he wishes.

An hon. MEMBER: You are worried.

Mr. WHITE: I do not think I am worried about many questions from the hon. member for Parry Sound or from the hon. member from Prince Edward Island, whose chief asset in this house is to thump his desk and make a few remarks.

Some hon. MEMBERS: Order.

Mr. WHITE: What for?

The CHAIRMAN: Order. I should like the hon. member to keep to the item, if possible.

Mr. GRANT: Was it not the Tories who started that hospital?

Mr. WHITE: In addition there is a great lack of staff at this hospital. Any hon. member who has visited this hospital many times must have noticed the lack of orderlies. The return brought down by the minister a few days ago shows that nearly one-quarter of the accommodation of this hospital is used for soldiers who are receiving treatment for injuries suffered in the first great war. The number shown in the return is 304 out of a total bed capacity of 1,370.

When this matter was before the house last year I asked the minister a question with regard to the number of patients who were allowed to have a private nurse at Christie Street hospital. I suggested at that time that patients did not have private nurses, and the minister assured me that that was not correct; that there were many cases where soldiers had the service of a private nurse. I should like the minister to place on *Hansard* a statement showing the number of individual soldiers at Christie street hospital who have had the services of a private nurse—and by "private nurse" I mean a graduate nurse, not a male orderly or another soldier patient. I know of cases at this hospital where soldiers have undergone a serious operation, and after the operation they had no nurse but were placed in a ward of from four to six beds—rightly called the "snake" ward; and if the snake ward is full they are placed in a ward of perhaps fifteen or twenty beds. There is no accommodation or provision for placing a soldier in a private room after a serious operation, where he will have the quiet he requires so that his nerves will have an opportunity to relax and quiet down.

Some hon. MEMBERS: Oh, oh.

Mr. WHITE: That is all right, if it is all that hon. members from the other side can offer. If any hon. member over there wants to get up and rectify the conditions at Christie street hospital he will have the opportunity to do so as soon as I sit down.

The last time I was at this hospital visiting a certain soldier the thought occurred to me: what must be the reaction of a mother who sees her son at Christie street hospital for the first time after his return from overseas? I wonder if that mother goes away with the feeling that Christie street hospital is the best that can be provided for her son.

There are many other objectionable features to this boiler-factory hospital, and I hope that when the minister speaks he will tell us what is being done about the new hospital and how long it will be before Christie Street hospital will be only a horrible memory.

In the matter of the rehabilitation grant, which at the present time is one month's pay and allowances, this amount seems very inadequate. I know—

Mr. MACKENZIE (Vancouver Centre): That is not under my department; it comes under the Department of National Defence.

Mr. WHITE: Is there not a rehabilitation benefit?

Mr. MACKENZIE (Vancouver Centre): Yes. The benefits are under the Department of Pensions and National Health, but not the grant.

Mr. WHITE: Perhaps the minister would allow me to say just a word on that point. At the present time the rehabilitation grant amounts to one month's pay and allowances. A large number of men have been discharged from the army, and I hope there will be legislation this session under which the amount of the grant will be increased. The point is that if these men and women are to rehabilitate themselves when they are discharged, that is the time they should receive their grant. In conclusion—

An hon. MEMBER: Hear, hear.

Mr. WHITE: Isn't that just lovely? That is the hon. member's war contribution. At the last session of the Ontario legislature a measure was passed similar to what is known in the United States as the Sparkman act, which has been mentioned in this house many times. Briefly it provides protection for soldiers and their dependents in such matters as eviction, foreclosure on mortgage, seizure of property for taxes and debt, judgments or other legal proceedings for debts incurred prior to enlistment, and so on. While this may not come under the minister's department, I think it is an important matter. This protection now exists in Ontario, but the principle is a splendid one and should be made to apply in all the provinces. I offer that suggestion to the minister for his consideration.

I believe the hon. member for Parry Sound wanted to ask a question.

Mr. SLAGHT: Is my hon. friend aware under what administration the site he has so graphically condemned was chosen originally and the activities carried on until 1930? Perhaps I should not put too much to him, but what activity did he show from 1930 to 1935, when Right Hon. R. B. Bennett was the leader of his party, in endeavouring to right the wrong which he has described so vividly to-day?

Mr. WHITE: I was not in the house from 1930 to 1935, and at that time there was no war. This boiler factory, if it can be classed even as that, was purchased some time between 1917 and 1920, I am not sure in what year, by the union government.

Mr. SLAGHT: You were a good Tory, though.

Mr. WHITE: The hon. member asked me a question, and I will give him an answer. It was purchased in one of those years by the union government. I am not sure what type of building it was then, but I imagine it is in very much the same condition now as it was at that time. It has been carried on by all governments to the present time. So far as I am concerned it does not make one particle of difference whether it was purchased by a Liberal, a Conservative or a union government; I have nothing to withdraw, and I say the thing is a disgrace to Canada.

Mr. WRIGHT: I should like to draw two or three matters to the attention of the minister, but before doing so I want to say that I concur fully in at least some of the points made by the hon. member for Hastings-Peterborough. The first is in regard to the insurance principle being applied to soldiers serving in Canada. I do not know why it was dropped, and I certainly hope the minister will give us some explanation in that regard to-day. I believe it should be put back in the act, because no doubt injustices are being created in the administration of the Pension Act in Canada as a result of the dropping of this insurance principle.

The second point is in regard to the discharge of men who were admitted to the army in category A-1. Only last week I had

the privilege of going through the depot in Toronto and seeing the thorough way in which these men were examined on entering the army. Certainly they are given a good going over; they are examined by specialists of all kinds, and when they are admitted as A-1 there is no doubt that they are A-1. I do not understand how these men can be discharged within six months or a year in category E, while our pension department assumes no responsibility for the deterioration which has occurred in their condition. It seems to me that after a man is given a through examination, X-rayed and all the rest of it, and is accepted as A-1, the responsibility for any deterioration in his health rests with the army, because that is where it occurred. The phrase we see on so many discharge papers, "disability aggravated by service but not attributable to service" should be dropped from our vocabulary. When the health of a man has deteriorated to this extent he should be recompensed in some way. I also had an opportunity to note the thorough way in which the men are examined on discharge from the army, and I must say that is something upon which the department must be congratulated. These men are given a most complete examination, which was not the case after the last war, and the department has something to go on with respect to any claims which may be made later on.

Some time ago I drew to the attention of the government the desirability of establishing convalescent homes for returned men, and I believe some action is being taken in that regard. I have in my hand an article appearing in the Halifax *Herald* which states that the government is establishing a health centre on the Rideau river near Ottawa to rehabilitate men suffering from nervous and other disabilities. It is stated also that four other centres are likely to be erected, one in Toronto, one in Montreal, one in London and one in Vancouver. I do not know whether these are all the minister has in mind, but I would point out that of the five mentioned, three are in Ontario, one is in Quebec and the other in British Columbia. Apparently western Canada has been forgotten. I suggest that these convalescent homes be established all over the dominion so that the men receiving treatment in them may be at least reasonably close to their relatives and friends, from whom they may receive visits. I am sure that would help in their treatment, and make their surroundings more pleasant. It is all very well to say that the climate in Vancouver is much more agreeable than that of the western provinces, but I do not think that is the only thing to be taken into consideration in the establishment of convalescent homes.

I should like to mention also the matter of hospitalization. I believe in Canada to-day, not only among civilians but also under the Department of Pensions and National Health, we are very short of hospital beds and hospital accommodation. I know the minister is endeavouring to overcome this difficulty. I believe plans have been made to build in Toronto a new hospital to take care of large numbers who will require hospitalization. In the building of these hospitals there should be a certain amount of decentralization. Plans I have seen would seem to indicate that all the hospital accommodation to be built is to be centred in certain large communities. I believe an additional wing is to be added to the hospital at Regina, and to the one at Saskatoon. The Deer Lodge hospital in Manitoba will be added to, and there is to be a large hospital in Toronto. But if a hospital is built in Toronto to take care of the needs of our soldiers, it will be found that men from northern Ontario, including points such as Port Arthur and Fort William, who require hospitalization, will have to travel a long distance to Toronto to receive the necessary care.

It is proposed in the new medical health bill now before the social security committee that the provinces, upon accepting the bill, will establish medical health clinics at different points. I suggest to the minister that when that is done his department should be prepared to arrange for a certain number of beds for soldiers in those clinics. Surely it would be much better for those men to receive attention nearer their homes than to be sent to the larger centres. In some cases, of course, special treatment that is required, may be available only in the larger cities.

Large numbers of our men who will return will require hospitalization for a number of years. If the accommodation is centralized it will mean that relatives and friends who might wish to visit these patients would have to go to the expense of travelling long distances. The department would do well to give consideration to establishing a certain number of beds in each of the medical health centres which may be set up under the provisions of the legislation now before the special committee.

In this connection I received only recently a communication from a town in northern Saskatchewan. Its geographical location is such that great difficulty is entailed in transferring patients from the area to either Regina

or Saskatoon. There is no direct train service, and often it takes pensioners in the area forty-eight hours or longer to reach either Saskatoon or Regina. This town and community of Nipawin propose the building of a forty-bed hospital. It is a new area which was established after the last war. To a large extent it consists of people who returned from that war, many of them pensioners who now require hospital treatment from time to time. The letter states further that in this war there have been over 2,000 enlistments from that community. They propose to build their hospital on one of the finest possible sites, one very similar to that occupied by the sanatorium at Prince Albert. It is to be built in a sixty-five acre park, right on the high banks of the Saskatchewan river. They are asking the department to build an additional twenty-bed wing to take care of the soldiers who will return from this war, and the veterans of the last one. The Department of Pensions and National Health would do well to consider decentralization of hospital facilities, particularly in view of the fact that we shall have to take care of a great many returned men.

Another matter that has been brought to my attention in letters I have received is the question of pre-natal care for soldiers' wives. I have been told that a considerable number of deaths have been caused through lack of proper pre-natal care. It would seem that pensions are not sufficient for this purpose. Of course I know the soldier's wife may apply to the dependents' allowance advisory committee to get additional help in case of necessity. Quite often however in outlying areas these committees are not easily reached. The Department of Pensions and National Health would be well advised to make some regular allowance to soldiers' wives requiring special care at such times.

There are other matters I shall bring to the minister's attention when other items are called.

Mr. ROEBUCK: Mr. Chairman, as I listened to the hon. member for Hastings-Peterborough it struck me that he was threshing old straw, and that he was just about twenty years late in the criticism he directed against the hospital.

An hon. MEMBER: That is not long.

Mr. ROEBUCK: Well, in my career it seems to be quite a while.

Mr. ROSS (Souris): Some people live in the past.

Mr. TUSTIN: At least he has been consistent.

Mr. ROEBUCK: I do not think he has. That speech should have been made in 1940 when the hon member reached the house—not in 1944. The reason it is old straw—and much too old, at that—is that the government has decided to build another hospital, one which I trust will be much more adequate to the needs of the soldiers than the present one. It should have been built sooner. Probably it should have been built in the first instance, rather than the one that is there.

I would point out that the usefulness or adequacy of the hospital has not been decreasing. If anything it has been getting better rather than worse. I say that because from my own experience—and I know something about the hospital, because it is in my own constituency—I feel justified in saying a word of commendation for the management. Under Doctor McMane, district superintendent, it has been well managed in recent years. While the staff and management have been working under disabilities because of the building itself, its location, and perhaps lack of some equipment—although there is considerable equipment in the hospital—it is my belief that they have done the best they could under the circumstances.

There are two or three points to which I would direct the attention of the committee. In the first instance I believe the time that has been spent on, and the interest shown by members in, the welfare of our fighting forces and the soldiers who will return home, is to the credit of the house. We owe to them a duty, and I am under the impression that in a general way we are discharging that duty to the best of our ability.

About two weeks ago I presented to the house a petition signed by 1,500 or 2,000 persons in my own constituency, asking that the clothing allowance be increased from $65 to $125. That is a petition with which I thoroughly agree. True, it was directed to the Prime Minister rather than to the house and, since it asked for an increase in a money appropriation, technically it could not be received by the house. But in fact it was received and I have no doubt registered in the minds of the government and of hon. members. Although this amount of $65 represents a recent increase, it is still utterly inadequate to cover the cost of clothing required by a soldier on discharge. I have a letter from the Minister of National Defence (Army) to whose attention I brought this matter, which concludes with the following words:

I can assure you that it is having the most careful and sympathetic attention along with many other matters with respect to the rehabilitation problems now under study.

I take it that the matter is being studied by the cabinet, and I hope they will agree with me that this amount should be increased. It is not possible to consider the affairs of the soldiers in detail without considering the picture in the main. For instance, I am not disregarding the announcement recently made in the form of an order in council that, among many other things, there will be an increase from $44.20 per month to $60 per month in the allowance paid under the post-war discharge re-establishment order to single men who wish to continue their education or take a course in vocational training. The allowance to married men is to be increased from $62.40 to $80 per month.

An hon. MEMBER: What are you reading from?

Mr. ROEBUCK: From a newspaper report of the order in council. It is not an editorial.

Mr. MACKENZIE (Vancouver Centre): And tabled in the house.

Mr. ROEBUCK: My hon. friend evidently does not like the particular paper from which I am reading. Were I reading from the editorial columns of that paper I would apologize to the committee. As I say, one must consider increases of this nature when discussing other increases which are desired. They hang together; they must be considered as a whole rather than in detail. The increase in the allowance granted to a man in order to complete his education on discharge would in some measure relieve the tension caused by the small amount given him as a clothing allowance. I hope that the assurance I have received from the Minister of National Defence that the matter is under discussion will result in a larger clothing allowance to our soldiers on discharge.

It has also been borne in upon me from time to time that a good deal of the objection to the conditions which we have established for the discharge of our fighting men is due to a lack of knowledge as to what actually is being done. I know from my own study of the acts and the various regulations how difficult it must be for the ordinary man in the armed forces or his friends to grasp the details. The literature that has been published is of considerable importance. I have a pamphlet entitled "D Day." The sub-title is, "When the Canadian Fighting Man again becomes a Working Man." I wish to commend the people who have produced that pamphlet and who I believe are circulating it in large numbers.

More striking than that is a book recently published by a member of the staff of the Department of Pensions and National Health, Mr. C. N. Senior, an executive assistant in the department. The book, just off the press, is entitled, "When the Boys Come Home." He kindly gave me a copy which I read with great interest. The subtitle is, "Their Post-War Opportunities in Canada." This book should be read by every hon. member. It is easy, open reading. I started and finished it in one evening. I found it more interesting than a novel or a story.

It is in story form. I see that one of my hon. friends has a copy in his hand. I hope all hon. members will read it, because it shows a grasp of what the situation really is, to a greater degree than any other document I have read. The author of this book has a philosophy of life and a knowledge of affairs. He went through the last war and has been closely in touch with veterans' affairs for many years. An hon. member calls my attention to the fact that his son is at present overseas. He has a very personal relationship to the armed forces. He has done his work well, and I understand he did it in his own time, not in the time of the department or of the people of Canada by whom he is paid. I have also been informed that he receives nothing in the way of royalties on the publication, that what accrues in that regard is being given to one of the veterans' organizations or to some fund.

Mr. MACKENZIE (Vancouver Centre): The disablement fund.

Mr. ROEBUCK: That is a fine thing for him to do. I brought this up for two reasons. First, I think the writing should be acknowledged and its excellence noted. But above all I think the department should take advantage of what has been done and make this book available in large numbers to the returned soldiers and their families. In the introductory chapter he states:

> A great deal more has been done in the way of planning for the aftercare of the boys and girls in the forces than most of us realize. What follows is an effort to set down in orderly fashion an account of the measures already adopted, and how they are likely to affect the welfare of your boy and mine.

That is the very thing we have been asking for in order that we ourselves may learn in a careful and orderly way of what has been done and be in position to pass on that information to others. I suggest to the minister

that an appropriation should be made to cover the publication of large numbers of this book in order to make them available to all members of the forces, their friends and others who wish to read it.

Mr. ROSS (Souris): Mr. Chairman, I should like to offer a few observations on these estimates for pensions. The previous speaker, the hon. member for Trinity (Mr. Roebuck), accused my colleague of threshing old straw. Since coming here in 1940 I have found that it is necessary to rehash one's argument, or, as the hon. member terms it, thresh old straw. This is my fifth session, and I have found that a member does not get much for the people he represents if he does not get up and fight for it. My colleague the hon. member for Hastings-Peterborough has consistently at all times pleaded for the welfare of all members of the armed forces and their dependents; it is to his credit that he has never missed an opportunity at any time. I should like to congratulate him upon the splendid speech he made this afternoon on their behalf, and I think he is also to be heartily congratulated upon the constructive suggestions he has offered to the minister and his department for the betterment of members of the armed services.

I should like first to make some reference to the insurance principle in pension legislation. The person who volunteers for service in the armed forces must obey orders and serve wherever he is instructed to go. The insurance principle in pensions, I think we all realize, originated during the last war. It was found necessary to establish that principle in order to prevent certain injustices which prevailed at that time. In 1919, when the Pension Act was enacted, the insurance principle was included in its provisions after due deliberation by this parliament. A few years after the last war, as a result I believe of the urgings of ex-service men's organizations throughout the country, a commission was set up headed by the then Colonel Ralston, now the Minister of National Defence, and acting Prime Minister. That commission sat for a couple of years, and after a great deal of well worth-while work recommended that the insurance principle should be restored and applied to all those who had served. The Pension Act was amended accordingly. At the outbreak of the present war the government pledged itself to apply all the benefits of the existing Pension Act, including the insurance principle, to those enlisting for active service. A special order in council was passed under the War Measures Act giving effect to this pledge. However, on May 21, 1940, the government changed its policy, repudiated its pledge, and definitely excluded from the benefits of the insurance principle all those whose service was in Canada only.

I have already pointed out that all those who volunteer for active service must go wherever they are directed; they have little choice once they have enlisted. True enough, provision has been made whereby a pension may be granted on compassionate grounds for serious disability or death arising from service in Canada, where those concerned are in necessitous circumstances. I do not think that that should be the law applying to those who have offered their services. But the fact remains that the benefits of the insurance principle have ever since May 21, 1940, been denied to those whose service in the present war has been on active service in Canada only. In my opinion the pledge given by this government at the start of this war should be lived up to. I think most people believe in that principle, and I trust that the minister will still be able to prevail upon his colleagues to have this provision reinstated.

As to pre-enlistment conditions, I know that the minister has said that the benefit of the doubt should be given the claimant. But in my opinion the physical condition of a man or a woman should for all future purposes be considered as that obtaining at the time of acceptance into the armed forces. That unfortunately is not the law of the land at the present time. In spite of their best efforts, ex-service men and their associations have not been able to secure remedial action in connection with a situation which I have always considered one of the worst blots on pension administration in Canada. Full and generous pension treatment should be the responsibility of the dominion.

In Great Britain the situation is perfectly clear-cut. In the British House of Commons Sir John Anderson recently said:

> We establish the presumption that a man's condition as recorded on his admission to the service was in fact his condition at that time, and that any subsequent deterioration in his condition was due to his service.
>
> We provide that there shall be no proof of onus on the claimant, and that the benefit of the doubt shall be given to the claimant.

This is simple justice, and should prevail in Canadian pension administration.

Much has been said on hospitalization. I have pointed out in past debates on pension estimates that all military hospitals should be located in quiet areas throughout the country to avoid undue disturbance of our nerve-shattered ex-service men, and should be surrounded by proper grounds. Too often that is not the case to-day. I am happy to say

that in my native province of Manitoba we have a splendid military hospital, admirably located and surrounded by appropriate grounds. Unfortunately that is not true of many other parts of Canada. I am informed that generally speaking the surroundings are very unsatisfactory. My colleague the member for Hastings-Peterborough and others this afternoon have mentioned Christie street hospital in Toronto. I understand that originally it was a factory, which was taken over during the last war as temporary hospital quarters. It is certainly most unsuitable for the purpose for which it is used. On one side are the railway tracks, and the other side, street cars. It is in the midst of a manufacturing centre where there is tremendous noise at almost all times. The surroundings are anything but conducive to the welfare of the patients.

The widow of a soldier who had a pension disability of less than fifty per cent has had something done for her, but I think she is entitled to be granted a pension after the death of her husband, and she should also be entitled to hospitalization and medical care on the same basis as the veteran receiving a war veterans' allowance. We ought to do at least that much for the widows of our ex-service men.

I would ask the minister a question with respect to hospital treatment. The private soldier and other ranks including lieutenant, receive, I understand, the same allowance while they are being given hospital treatment; then the allowance ranges upward for a captain and higher ranks. On what basis is that arrived at?

The clothing allowance has recently been increased to $65, but I maintain when a man who has been in the service for some years and has served overseas is discharged he cannot properly reclothe himself for less than double the amount of $65. The allowance should be further increased.

There are various features of the Sparkman Act in the United States which I hope the minister will consider. It makes provision for certain legal protection for members of the armed services to which I think they are rightly entitled under federal authority.

I realize that some of the improvements which we have advocated in past discussions of the pension estimates have been put into effect; for instance, with respect to the dependents' allowance and the rehabilitation of discharged men. These improvements have been effected following discussions in the house in which members of all groups have repeatedly advocated them. The minister, being an ex-service man himself, I realize is sympathetic in the administration of his department—very sympathetic. I know that he is eager to see still more improvements made in the treatment of our soldiers and their dependents, and I trust he will be able to persuade his colleagues and be able to bring down measures to alleviate some of the conditions which are not satisfactory at the present time.

I do not wish to take further time at the moment but I shall have questions to ask as the estimates are proceeded with.

Mr. QUELCH: Mr. Chairman, several improvements have been made in the treatment of our soldiers and their dependents since the beginning of this parliament. The fight to get justice for them has been going on steadily for the past twenty-five years, and generally speaking quite a bit of progress has been made. On the other hand we did slip and slip badly in the spring of 1940 when we took the insurance principle out of the Pension Act. That was done first of all by order in council, and later the provisions of the order in council where embodied in an amendment to the Pension Act. The minister will remember that there was strong opposition to that proposal in the special committee of this house dealing with pensions; finally, some kind of compromise was reached under which the pension would still be paid, provided the dependent soldier was in necessitous circumstances. I remember that at that time we were promised definitely that a wide interpretation would be given to "necessitous circumstances". I am beginning to believe that that wide interpretation is not being given, or that it is not as wide as it should be. I believe that most hon. members have on their files cases of soldiers' dependents who have been deprived of pensions as a result of the insurance principle being taken out of the act. I will place on *Hansard* some figures showing what the result of that action has been in so far as soldiers in this war are concerned. I am dealing now, of course, only with soldiers serving in Canada.

In sessional paper No. 170C, which was tabled in reply to some questions asked by myself, we find this. Referring only to deaths among men and women of the armed services who served in Canada, in 458 cases a decision was given refusing pension. In approximately 398 of these cases it was held that the injury or disease or aggravation thereof resulting in death was incurred during but did not arise out of nor was directly connected with military service. Then, under section 11, subsection 3 of the Pension Act, 325 were allowed

pensions; that is, under the necessitous clause. We find, referring to disability only, that in 28,824 cases decisions were given refusing pension. In approximately 5,843 of those cases it was held that the injury or disease or aggravation thereof resulting in disability was incurred during but did not arise out of nor was directly connected with military service. Again, we find that under section 11, subsection 3 of the Pension Act, 871 were allowed pensions on account of necessitous circumstances. I should like the minister, when he comes to reply, to tell the committee exactly what that term, "necessitous circumstances", means.

With regard to soldiers' entitlement to free hospitalization, any soldier who is "indigent" can receive free hospitalization, and "indigent" is defined as, "any soldier whose income is less than $1,000 a year." Surely, if an indigent soldier is a man with an income of less than $1,000 a year, then a dependent in necessitous circumstances should be defined as a person whose income is less than $1,000 a year. But apparently that is not the case, because I had my attention drawn to cases where the income of the dependent was considerably less than $1,000 a year and yet a pension was denied to her.

Mr. MACKENZIE (Vancouver Centre): Does the hon. member remember what was the percentage of disability in that case?

Mr. QUELCH: I should not like to say from memory.

Mr. MACKENZIE (Vancouver Centre): Was it over fifty per cent?

Mr. QUELCH: It was a case of death. The soldier had been killed. The income of the dependent was, I believe, around $600 a year. Although the woman was getting only $50 a month, a pension was denied her. I feel that she should be classed as an indigent so long as her income is less than $1,000 a year; that is, she should be treated in the same way as the soldier in that respect.

There is one other point to which I want to refer, namely the refusal of pension because the disability is of pre-enlistment origin. I can quite appreciate that where disability becomes evident one or two months after enlistment there may be some justification for that stand. But in view of the fact that these men are given a thorough examination —I think the rejections go to prove that— when a man has been in the service for two or three years, undergoing severe training— for example, commando training, which has broken down the health of a lot of men— the government are being very unfair indeed to the soldier to try to prove that that disability was due to some condition of pre-enlistment origin. I do not think it is altogether creditable to the pensions administration that they adopt the means they do to try to prove it. Apparently a conversation is entered into with the soldier, maybe at the time of the enlistment, maybe at some time before discharge, with a view to getting him to admit that, four or five years or even longer before his enlistment, he had some disability. There is a case on my files of a man who, while working on the railway, had a crowbar dropped on his foot and for three or four months he was disabled; after that he was all right and was able to continue his work on the railway. To-day that man is refused a pension on the ground that the foot disability was due to this accident which happened several years before the war, although he had been working steadily on the railway, prior to enlistment, without any sign of a limp, and several months passed after his enlistment before he had foot trouble, which, he claimed, was due to the commando type of training.

On several occasions the minister has made comparisons between the pensions administration of Canada and of other countries. But if I understand it aright, in England the treatment accorded is quite different. In an issue of the *Canadian Veteran* dated April 30, 1944, I find this statement:

> In Great Britain, for instance, the situation is perfectly clear-cut. One has only to take a declaration made in the House of Commons in London recently by Sir John Anderson. He said: "We established the presumption that a man's condition as recorded on his admission to the service was in fact his condition at the time; and that any subsequent deterioration in his condition was due to his service. We provide that there shall be no proof of onus on the claimant and that the benefit of the doubt shall be given to the claimant."

That is not the law in this country, and that seems to be one main ground of complaint in the army. The two complaints I hear chiefly to-day are: the failure of the government to maintain the insurance principle, and this question of pre-enlistment origin. These are very sore points with the men in the army and the various soldier organizations, and I suggest to the minister that a change in both respects be given serious consideration. If a change is not possible to put the insurance principle back in the act, if the government is not prepared to go that far, the very least it can do is to give a generous interpretation to the clause relating to necessitous circumstances.

Since no doubt we shall have the chance of a thorough discussion of soldiers' affairs when the new department is set up, I shall defer the rest of my remarks until that time.

Mr. McIVOR: I am not going to make a speech, but I have something to say. Any man who represents a constituency which has a voluntary enlistment record second to none in Canada will have a well-beaten trail to the Department of Pensions and National Health. I should like to take this opportunity of paying my tribute to a prince of men, the late chairman of the pension commission, Major General Macdonald. I found him courteous. I found him thorough. He would obey the law as best he could, but sometimes he had to go beyond. I remember once when I was most urgent in trying to get relief of some kind for a soldier's wife. This particular man had died suddenly. He was a victim of shell shock, and when Major General Macdonald could not find anything in the act to cover this case he secured from some place $25 for me to help the widowed mother and her four boys. Her house had been burned over her head. Three of those boys are now serving in the forces and one is too young. Therefore I pay my tribute to Major General Macdonald, the former chairman of the pension board. I would also pay my tribute to Major General Melville. I had two urgent cases and I did not see any hope for them unless the Pension Act was amended. These two cases have now been handled in such a way that the two boys and their parents are well satisfied.

I do not know whether the Minister of Pensions and National Health is a believer in predestination—I know his forefathers were—but I know from his conduct that he does not want this country to save taxes at the expense of young men who are risking their lives for the welfare of their country, and who have come back less physically fit than they were before they went away. I should like to know whether it is true that the minister is to act on the theory that we should save taxes at the expense of the returned soldiers. When I think of these young men that I have mentioned, without naming them, I am reminded that they were badly discouraged because one of them had not been in the forces very long. He was more disappointed than anything else because he was not physically fit, owing to a disease that he contracted. He was not able to get overseas and it was the disappointment of his life. I am happy to know that the pension board will compensate him for his risk. I pay tribute to the Minister of Pensions and National Health. I say that it is the duty of every hon. member of this committee to make sure that every returned man from any theatre of war has his case presented to the Minister of Pensions and National Health. If that is done, judging from my own experience, I am sure that they will be treated in a way which will make us all feel like saying, "Cheerio".

Mr. GREEN: There can be no doubt that the first concern of this nation is to wage war until Germany and Japan have been utterly crushed. Sometimes, however, I think we are prone to forget that the waging of war is carried on by young men who sacrifice their lives in many cases or their health in other cases and whose dependents in most cases suffer in one way or another; they make sacrifices, some of which are very great. Therefore, complementary to waging war must be care for the men of the forces and their dependents, both while the men are fighting and afterwards.

The statement made by the King's Prime Ministers, published in this morning's papers, contained one significant paragraph with regard to the fighting men. It read as follows:

> To all our armed forces who in many lands are preserving our liberty with their lives . . . we express our admiration and gratitude.

That is a noble and proper sentiment at this time, and I hope that the Canadian House of Commons and the Canadian people will always bear in mind those words "admiration" and "gratitude" when they consider the men who have been doing the fighting for them. I think the attitude of the Canadian people at the present time is much like the attitude shown in that statement. People are seeing the wounded come back from Italy; almost every week a train pulls in in some part of Canada with wounded from the front. We are seeing sick Canadians come back in large numbers. It is really amazing how many men have been discharged from our forces as medically unfit. The minister will correct me if I am wrong, but there must be nearly one hundred thousand young Canadians who have been discharged from the forces because they are medically unfit.

Mr. MACKENZIE (Vancouver Centre): Up to March 31 of this year 129,000, I think.

Mr. GREEN: Some of those were not medically unfit.

Mr. MACKENZIE (Vancouver Centre): No; 94,000 medically unfit.

Mr. GREEN: It is going to take a great deal of patience on the part of those of us who have had to remain at home if these young men are to be properly reestablished in civilian life, and a great deal of determination and resolution on our part to see that they do get reestablished. Perhaps it will take a

good deal of sacrifice in the way of payment of taxes and in many other ways; but surely the Canadian people will see to it that these young men get a proper start and that those who are disabled are adequately cared for throughout the rest of their lives, and that their dependents are adequately cared for also.

Then there is the attitude of the men themselves to be considered. It seems to me that it is of great importance to have these young men feel that they are being dealt with fairly. If they feel that they are getting a fair chance, that the country is really trying to help them out, I am sure that they will make a great contribution to the life of the nation. But at the present time they are not getting a fair chance in many respects. Take this question of the clothing allowance which has been raised by several hon. members this afternoon and on many other occasions in this house by hon. members of all parties. I do not think it can be questioned that $65 is insufficient to enable men to get a civilian outfit. The result is that when a soldier is given $65 he walks back into civil life feeling that he has had a raw deal, a shabby deal. He starts his civilian life with that impression, and I think that is very serious. It has a very bad effect on the men who have to go back into civilian life. The same is true of the rehabilitation allowance. I would urge the minister to bring down their gratuity legislation without further delay and provide for a proper rehabilitation allowance for the men who are being discharged. Every day that is lost in bringing down this measure means that perhaps a hundred more men are being discharged feeeling they are not getting a fair rehabilitation grant. That is very bad for the country.

It does seem to me that the government has been very slow in getting rehabilitation plans under way and that there is a tendency to go just far enough to save face, and only to go that far after there has been considerable prodding and coaxing. Now is the time to remedy that whole situation. Now is the time to lay a proper foundation for the care of the men and their dependents.

I was very much impressed by the debate which took place in the British House of Commons last July on the question of pensions for the men who have been disabled in this war. That debate was quite lengthy, and hon. members who are interested will find it in volume 391 of the British *Hansard*, commencing on page 715. The principal speech was made by Sir John Anderson, the lord president of the council, who was discussing a memorandum that had been brought down dealing with changes in war pensions. It is called a white paper and is described as command paper No. 6459, dated July, 1943. The British have made changes in their provision for entitlement to pension. A few days ago, in referring to the speech made by my seatmate, the hon. member for Greenwood, the minister said that the Canadian pension provisions were far ahead of the British provisions, but in at least one respect I think we are behind and should lose no time in catching up. Sir John Anderson explained some of the new features of the British pension law at page 718 of this volume of British *Hansard*, in these words:

> In the redraft we include certain novel features, entirely in the interests of the claimants. In the first place, we establish two presumptions. The first presumption—I am putting this in non-technical language—is that a man's condition as recorded on his admission to the service was in fact his condition at that time. The second is that any subsequent deterioration in his condition was due to his service.

They also established a benefit of the doubt provision, so that there were the two changes made in entitlement under the British pension law. Of course Canada has had a benefit of the doubt section for many years, and I am going to read it to hon. members. It is section 62 of the Pension Act:

> Notwithstanding anything in this act, on any application for pension the applicant shall be entitled to the benefit of the doubt, which shall mean that it shall not be necessary for him to adduce conclusive proof of his right to the pension applied for, but the body adjudicating on the claim shall be entitled to draw and shall draw from all the circumstances of the case, the evidence adduced and medical opinions, all reasonable inferences in favour of the applicant.

In effect, that means there is no onus of proof on the claimant, and as far as it goes it is very good. The provision which the British now have in their pension law reads:

> In no case shall there be an onus on any claimant under this our warrant to prove the fulfilment of the conditions set out in paragraph (1) and the benefit of any reasonable doubt shall be given to the claimant.

So that these two provisions are practically identical. But we have no provision in the Canadian pension law for presumptions, such as the British introduced last summer. The wording of the royal warrant with regard to presumptions is as follows:

> Where an injury or disease which has led to a member's discharge or death during war service was not noted in a medical report made on that member on the commencement of his war service, a certificate under paragraph (1)—

That means a certificate of entitlement.

> —shall be given unless the evidence shows that the conditions set out in that paragraph are not fulfilled.

In other words, as Sir John Anderson said, they have now established the two presumptions. They are not absolute presumptions; they can be rebutted by the ministry of pensions, but they have established the two presumptions, that at the time of acceptance the man was fit for the kind of service demanded of a man in that medical category, and second, in the event of his being subsequently discharged on medical grounds, that any deterioration in his health which has taken place is due to his service. I suggest to the committee that our pension law should be changed to include these presumptions. In this war the men enlisting have had far more thorough examinations than was the case in the last, and there have been many more discharges for medical reasons, particularly for illness, as a result of the health of the men breaking down. Presumptions of this type would be particularly helpful in the case of disease. At the present time it is almost impossible for a man who has been discharged through sickness to prove that his disability arose out of or was directly connected with his service. That is the way our pension law reads in the case of service in Canada, that the applicant must prove that the disability arose out of or was directly connected with his service. So that I advocate, and I ask hon. members to consider seriously, the amendment of the Pension Act at this session in order to insert these two presumptions.

The British have made a change also in regard to pensioning men injured as a result of accidents. They have gone quite far, I think much farther than we have gone in Canada. Hon. members will find that dealt with also in this white paper, and I am going to read the provision with respect to accidents:

> At present most accidents sustained by members of the forces are regarded as attributable to war service but there are four main categories not so regarded. They are:
>
> (a) Accidents sustained whilst "walking out" in spare time;—

I presume that would mean a man walking out from his military camp.

> (b) Accidents sustained whilst travelling to and from home on short pass, i.e., leave of not more than forty-eight hours duration (unless the leave is of a compassionate nature);
>
> (c) Accidents sustained whilst travelling to or from duty when the member has been allowed to live in accommodation privately arranged;
>
> (d) Accidents sustained whilst actually on leave.

Then the white paper goes on to say:

> His Majesty's government has decided that under war conditions accidents in categories (a), (b) and (c) can reasonably be regarded as attributable to service. The position of accidents in category (d)—

That is, while a man is on leave.

> —is different. In these cases the compulsions of service play no part and an accident sustained in such circumstances cannot properly be regarded as attributable to service.

Sir John Anderson also dealt with the change in the provisions in the case of accidents. Hon. members will find his explanation at page 722 of the British *Hansard,* where he said:

> We are giving the fullest possible application of the doctrine that a service man places himself wholly and unreservedly at the disposal of the state during his service and we are covering everything with one exception. The one exception not covered is the case of the man who goes on leave, who is for the time being entirely released from his obligation to the state and is just as free as anyone else to do what he likes. If in those circumstances a man in his home falls off a pair of steps while hanging a picture on the wall, and injures himself, he is treated just like a civilian in respect of that injury and not like a soldier.

During the course of the debate one reason given for not covering a man who might fall off a stepladder while hanging a picture was that he would be covered by the social legislation in Britain; of course in Canada that would not be the case; here the poor chap would be just out of luck. However, the British have made this provision for accidents, and I think the time has come when section 11, subsection 2, of the Pension Act should be changed to wipe out any reference to military service in Canada. I realize that it would still be the proper provision for men in the peace-time forces.

At the present time it covers two groups, men in the war who serve in Canada, and men in the forces in peace time. I think the time has come when there should be a change, and when the provision in section 11 (2), restricting men who are serving in Canada, should be deleted. I do not wish to repeat the arguments offered this afternoon by other hon. members, but I am firmly convinced that the insurance principle should be reestablished for the men in Canada. I advocated that throughout the meetings of the special committee on pensions which sat in 1941 but, unfortunately, at that time I did not receive very much support. The committee found against me. However now there can be no doubt the time has come to make the change. That is the second change which I suggest should be made in the Pension Act at this session.

Just the day before yesterday the minister announced changes in the pension law, changes which we have been urging on the government ever since I came to the house in 1936. We have urged them at every session, but have never been able to get very far. However, I

suppose a late repentance is better than none at all, and I am glad these changes have now been made. I shall not go over them in detail, but briefly they remove the restrictions upon a widow getting a pension, if she was married after January 1, 1930; they enable the payment of an allowance for a wife who was married after May 1, 1933, and for a child, where such child was born after that date.

But the difficulty is this: These changes—and there are others, as well—have been made by order in council, under the War Measures Act. I do not understand why that was done. It seems to me that it should have been done through an amendment to the Pension Act, so that the changes would be permanent. As conditions are at the present time, when the war is over, the War Measures Act will no longer be in operation, and these beneficial changes will expire, unless some special provision is made. I do urge upon the minister that he have the Pension Act amended to provide the presumptions, to restore the insurance principle for men who serve in Canada, and to include the changes which have just been made by order in council.

Then there are two or three other matters which should be dealt with by the government. Take the questions of clothing allowance and rehabilitation allowance. I urge that if these allowances are increased, any increases should be made retroactive. It would not be fair to make the change, say, at the 1st of June, and not have the increased allowance given to the man who was discharged on January 1.

Then when a man is disabled, wounded or becomes ill he is sent to hospital, and the army gets rid of him just as quickly as possible by turning him over to the Department of Pensions and National Health. I do not think a line should be drawn there. Surely a man should not be discharged from the army, the navy or the air force until his medical rehabilitation is complete, and he is in such condition that he can return to civilian life on pension, if he has not been cured, or can go back to carry on his normal work. The minister may say that that involves difficulties in administration, but I suggest that the approach is wrong. The soldier should be treated as a soldier until he returns to civilian life. Let the army, the air force, the navy and the Department of Pensions and National Health work out among themselves the necessary administrative arrangements. Do not discharge a man from the army to the Department of Pensions and National Health. It would be much fairer if he continued as a soldier, at his regular pay and allowances until returned to civilian life

Then, one final matter I would bring to the attention of the minister has to do with men in the veterans guard. These men are getting old. I do not know what the average age among them would be, but many of them must have reached fifty-five or sixty years. If they have disabilities upon discharge from the veterans guard they would, of course, be entitled to pension. But let us suppose that they are discharged as physically fit—as most of them probably would be. Under those circumstances it will be very difficult for those men to become reestablished at that age, especially if they have been in the veterans guard for two or three years. It would be almost impossible for them to get anything to do when they leave the army. I do not think it would be fair to force them to accept war veterans' allowances, and it certainly would not be fair to force them to accept relief. I believe that some provision will have to be made for a service pension high enough to permit them to carry on under decent living conditions. This is a question which I think has never before been mentioned in the house, but it is one which must be faced. I do not think members of the veterans guard will be adequately covered by the present provisions for men discharged from the forces.

These are some of the suggestions I place before the minister and the government. I do urge the minister—and perhaps he does not need it as much as some other members of the ministry—that these men of ours must be treated not only fairly but generously. I do not believe that we can possibly repay them and their dependents for the sacrifices which are being made. In my opinion that is the feeling of the Canadian people at large. I repeat, therefore, that they must be treated not only fairly, but also generously.

Mr. GILLIS: I agree with those who advocate reinstatement of the insurance principle, and I shall not repeat any of the arguments which have been offered. The minister will recall that on the pensions committee in 1940 I was one of those most vigorously opposed to the removal of the insurance principle.

In our rush to bring in orders in council covering every matter raised in the house, and to try to anticipate the criticisms we may receive in the country, there is the danger of repeating the performance of the twenty odd years between the two wars, when the Department of Pensions and National Health of the federal government was made a very convenient spot at which to dump problems affecting indigents. The result was that in the period between the two wars we paid

very little attention to social security matters that are and must be separate and apart from war pensions.

I have listened to the discussion we have had and I have read over the many proposals that have been made by the Department of Pensions and National Health in connection with the whole problem of reconstruction and rehabilitation. I am afraid we are still thinking in those terms. It is my considered opinion that the rehabilitation of the ex-service personnel of this war is closely related to the whole reconstruction problem. I am convinced also that if the national income of Canada is not maintained, if there is not full employment in the country in the aftermath of the war, many of these things enacted by orders in council will not be fulfilled. We must keep our minds geared to the main problem of total reconstruction if results are going to be realistic.

In considering jobs for service personnel when the war is over we must also remember that in this country we have a million and a half workers engaged in war industry. They will also be coming back looking for jobs in peace-time industry. They are definitely a responsibility of ours in the matter of reconstruction. In considering the training and rehabilitation of service personnel following the cessation of hostilities, we shall have to consider this group in the matter of training and so forth. In considering the whole field of social security problems we shall have to be careful to relate to the Department of Pensions and National Health only those matters that belong to it. I am concerned, as is the hon. member for Vancouver East.

An hon. MEMBER: Vancouver South.

Mr. GREEN: Do not get us mixed up.

Mr. GILLIS: Yes, Vancouver South; the hon. member for Vancouver East is on his way to Australia.

Very important matters are introduced by way of order in council. Immediately after the war is over, these orders in council will become null and void. Unless the act is amended many of these measures will have no meaning. I agree with the hon. member for Vancouver South when he says that before the session adjourns the pensions committee should be called together to deal with matters coming within the scope of the Pension Act in order that legislation may be passed to place these within the machinery of pensions and national health so that there may be no doubt about many of the important things now covered by orders in council.

I should like to say something about the administration of the whole programme. It looks nice on paper and I think it was honestly evolved, but legislation of this kind will be of no value to the country unless the necessary machinery to implement it is placed at the disposal of those who have to do with providing benefits for the service personnel.

I am going to stress something with which I think the minister has had a lot to do but which he may have forgotten at this time. Provision has been made for vocational training of service personnel and the providing of certain rights. When we consider the economy of Canada as a whole, these regulations may be quite fair, but there are sections of the country where they will be of absolutely no value. I wish to refer for a moment to Nova Scotia, a one-industry province and that industry a heavy one. The minister will remember that during the period between the two wars when we tried to give effect to the legislation that then existed we had a certain problem to contend with in the field of employment, vocational training, assessment of pensions and other matters related thereto. A man may return to Ontario and Quebec partly disabled. The medical authorities determine that he has a ten per cent disability and he is pensioned accordingly. He may be able to go out and find employment and thus augment his pension. But take a man returning to Nova Scotia. His disability is diagnosed by the medical authorities as a ten per cent, fifteen per cent or twenty per cent disability. In effect, in that province he has a 100 per cent disability because he would not be able to take employment in a steel plant or a coal mine. The same thing is happening in this war as happened in the last war.

I appeared before pensions tribunals on many occasions when they came to Nova Scotia to try outstanding cases. They agreed with me and I think they recommended that some administrative latitude should be given the commission with respect to that particular province. In Nova Scotia a man cannot pick up a job as a doorman, an elevator operator or in a beer parlour, because we have nothing of that sort. It is exclusively a heavy industry province. I have had twenty years' experience in trying to make the old pension machinery work in that particular field of employment.

We are up against the same thing in the matter of vocational training. There have been no additions to vocational training facilities in that province since the outbreak of the war with the exception of a small industrial school which was established in New Glasgow and which I believe was supported to some

extent by the Clark Ruse aircraft people. Recently this school was closed when the aircraft plant at Dartmouth was closed. Service personnel returning to that province find that they cannot get vocational training in their own province.

There is another handicap which is faced by the service personnel of that part of the country, and which may also be faced by service personnel from other parts. Any man who wants to take vocational training must have passed the eighth grade, and many applications are being rejected on that basis. Vocational training will have to be augmented by providing elementary education to those who are in that position. Otherwise a large percentage of the personnel returning from this war will not be able to take advantage of vocational training. As I say, while this is true of Nova Scotia I assume that it also applies generally across the country. While the regulations may look all right and sound all right from the point of view of the general economy of the country, they are nevertheless very restrictive in that particular area.

Two new departments are being set up. A press release was issued by the wartime information board which led me to believe that the Department of Pensions and National Health was to be abolished completely when the new departments were set up, its functions being taken over by the new departments. The release is headed "Post-war Planning Information", and on page 6 I find this:

> A change in the administration of rehabilitation is also to be made. On April 17, 1944, the Prime Minister introduced in the House of Commons a bill to establish a Department of Veterans' Affairs. The new department will take over all the rehabilitation functions of the Department of Pensions and National Health, and will also take over from the Department of Mines and Resources the administration of the Veterans' Land Act. The other functions of the Department of Pensions and National Health will be taken over by a new Department of Social Welfare.

The statement that the other functions of the Department of Pensions and National Health would be taken over by the new Department of Social Welfare led me to believe that it was the intention to fold up the Department of Pensions and National Health as it now stands, and to pass over to the new Department of Social Welfare all problems of service personnel with respect to pensions, hospitalization and so forth.

Mr. MACKENZIE (Vancouver Centre): All affairs pertaining to ex-service men will be under the Department of Veterans' Affairs.

Mr. GILLIS: I am very glad to hear that because I got the impression from this release that the whole load of social security legislation was going to be absorbed by the department, which would mean that we would have a repetition of the condition of affairs that we had between the two wars. The release is misleading.

With respect to the two new departments that are to be created, I have in my hand a memorandum from the Amalgamated Civil Servants of Canada protesting against the manner in which appointments are to be made. I have no doubt the minister has seen it and I do not want to take up time by reading it. The organization points out, and I think properly so, that we have established in this country the merit system, whereby through the machinery of the civil service commission important positions of the kind to be created in these new departments are to be filled on the merit system. But bill No. 83, to establish a Department of Veterans' Affairs, definitely sets out that the new department may be staffed "notwithstanding anything contained in the Civil Service Act".

Mr. MACKENZIE (Vancouver Centre): It is word for word as it is in the present act and has been since 1928.

Mr. GILLIS: Maybe that is why the Civil Service Act is not working so well. I agree with this protest. I believe myself in filling important positions of this kind by examination, and without any regard to patronage, favouritism or anything of that sort. The right man for the job is the man who is qualified for the job, and in setting up the new department the minister should have due regard to that principle.

I am a little bit fearful of this attitude that is developing in Canada that when the war is over everything belongs exclusively to the ex-service men. I think that is the wrong attitude to cultivate because the problems of the ex-service men are definitely wrapped up with the whole future of this dominion. We should have a programme for their complete rehabilitation, with every one of them having the right to work and make his maximum contribution to the welfare of the country. It is wrong to build up in the minds of the men the idea that when they come back they are to be adopted and given everything in the country, without making any contribution themselves. I think that in setting up the new departments the terms of the Civil Service Act should be adhered to rigidly, including that provision in the act which gives certain preferences to returned service personnel, other things being equal.

I wish to support what the hon. member for Melfort has said with respect to the five new health centres that are to be established

in Canada, three of them in Ontario. Of course, there are a lot of votes in Ontario. Another health centre is to be established in Quebec. But the maritime provinces are left completely out of the picture, as are the two central western provinces. I wrote the minister some two months ago that I had seen the announcement of the establishment of these health centres and that none was provided for the maritimes, and the minister wrote me that he would check up on the announcement since it definitely looked like discrimination. Our people in that part of the country are much concerned over it. These health centres are to be, I understand, something in the nature of convalescent homes. Well, Mr. Chairman, as you know, we have a large number from the maritimes in this war too; some of them are now fighting in Italy, and some are likely to get hurt and will require hospitalization when they get back. I think it would be a nice thing if we had somewhere in the centre of the maritime provinces one of these convalescent or vocational homes where our people could go and visit those who were obliged to recuperate in these homes during their period of incapacity. I should like the minister to comment on that suggestion when he makes his reply because it does look definitely like discrimination. I can recommend a very nice spot in Nova Scotia for that kind of health centre. It is not in my riding, but it is close to where the hon. member for Colchester-Hants comes from. Some time when the minister gets down to establishing a health centre in the maritimes he might consult the hon. member for Colchester-Hants and myself.

As to the assessment for pensions, I agree with what other hon. members have said. The present system is anything but fair and just. It may be that the machinery is not adequate or complete. I know the Department of Pensions and National Health is understaffed to handle the problems coming before it to-day, and I appealed to the Minister of National Defence when his estimates were up to allow some of the medical boards that are now around the district depots to help the Department of Pensions and National Health.

I should like to mention, without giving the name or number, one outstanding case. This man served eighteen months overseas. He was invalided home as medically unfit. He had a medical board, which diagnosed his trouble as duodenal ulcer, and the decision of the commission was, "Pre-enlistment condition. Wilfully concealed on enlistment. Aggravated three-fifths in a theatre of actual war overseas. Pensioned accordingly." I cannot understand how the board could arrive at that decision. If this man had that stomach condition when he enlisted, how could he conceal it, and why should he wish to conceal it? If he had that condition on enlistment, how could he serve with it for eighteen months overseas? The training is hard and tough and the food requires a fairly good stomach to digest it. But after serving for eighteen months overseas this man was invalided back to Canada and the medical board decided that he had concealed the ulcer on enlistment.

That kind of administration of the act in times like these leaves much to be desired. There are a good many decisions of that sort. This definition of disability not attributable to military service is causing a lot of difficulty. A man comes back from overseas, as this man did, with a disability which, it is decided, is not attributable to service; and it seems to me that some men take the attitude that unless a German has sneaked up on you, stuck a bayonet in you and you have a big hole to show for it, your disability is not incurred on service. I hope that as the machinery is developed and the administration becomes more experienced and more men come back from overseas who have actually seen service, there will be a fairer administration of the whole thing.

There is another matter which I bring to the minister's attention because I think it important, although I am not going to labour it. I picked up an article in the *Magazine Digest* of March, 1944, written by Paul Winterton, Moscow correspondent of the London *News Chronicle*, setting out the facts concerning a new serum developed by Soviet scientists which, according to the article—perhaps the minister has seen it—

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. GILLIS: —is a guaranteed cure for neuritis, arthritis and similar conditions. These disabilities are very prevalent among ex-service and service personnel. In the wet climate of the old country, and particularly as a result of standing in trenches, there is quite a lot of it. I took the trouble to get in touch with the Soviet embassy at Ottawa and to write to their representative in New York, and I have information to the effect that this serum may possibly be made available in Canada. Go to your pensions and national health hospitals across Canada and see what a large number of veterans of the last war are suffering from, and many of them tangled up and crippled by, this disability. I bring the matter to the minister's attention, although he is aware of it, in the hope that there may be some contact between the Canadian and the Soviet government with

the result of making this serum available in Canada in the interests of service personnel returning from this war and veterans of the last war who have suffered and are suffering from this condition.

As to the unemployment insurance contribution which is made by the government, we were led to believe that the government paid the total contribution and that when a service man came out of the army, navy or air force, and took employment in an insured industry, he was protected from the day his employment began. The minister will remember that at the last session I brought to his attention several cases which arose in Waterford, Nova Scotia. A number of service men were released to go into the coal mines, but because of a disaster there a number of them were immediately unemployed, and when they applied for unemployment insurance they found they were not eligible because it was required that they should be employed for ninety days in an insurable industry and have made a contribution themselves, or they did not come under the scope of the act. The minister was astonished at these circumstances, as was also the Minister of Labour; they did not know the regulation operated in that way, and both of them stated at that time that they were going to check up on the matter and perhaps have some changes made. I think a change should be made. That was, perhaps, an isolated and outstanding case which might not happen again; nevertheless numbers of men are leaving the army to-day and taking employment. They may work in an aircraft plant, and after a short time there is a lay-off for re-tooling of the industry, with the result that they are out for a month or six weeks looking for a job, and they do not come under the scope of the act. Men are also handicapped by other regulations. They start looking for out-of-work benefits, and we immediately see a runaround which takes months to straighten out. I believe the quickest and fairest way of curing this situation is to amend the Unemployment Insurance Act so that these cases will be within its scope, because if the government is to make a contribution at all it should be 100 per cent. To place men in the position I have referred to is absolutely unfair, and the effects will be even worse when the war is over, because a lot of industry will be on the change and shift. Representation should be made by the pensions department to the authorities responsible for administering unemployment insurance to have this regulation changed so as to protect, from this time on, those coming out of the army.

Mr. HATFIELD: The minister has stated that hearing aids will be available to men returning from the present war. I should like to know if the same aids are available to returned men of the last war, and under what conditions.

Mr. MACKENZIE (Vancouver Centre): Under the same conditions, I understand.

Mr. HATFIELD: To whom should application be made?

Mr. MACKENZIE (Vancouver Centre): To the nearest branch of the Department of Pensions and National Health.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. ROSS (St. Paul's): I agree with all that other hon. members have said about the insurance principle in connection with pensions. I do not think I need to say any more on that. But I do wish to say something about another feature of this matter. It is disheartening when a young man comes back from overseas incapacitated and after examination is told that he had a pre-enlistment disability which was wilfully concealed. It is hard on these young fellows. We know that probably some of them did their best to conceal some disabilities when they first went overseas. They thought it was their duty and those little disabilities were nothing and would not amount to anything. After all, they had a medical examination and it was up to the medical doctors who examined them at that time to find out what was wrong. I agree with hon. members who have said that when a man enlisted his condition should be assumed to be what was shown on his papers, and not something else. That is the basis on which a pension should be granted. We must remember that there are others in different circumstances. I know two or three cases of what we might call congenital disabilities. I know one man who was examined by a reputable doctor. They tried to show that he did not have this, but he did have it, that is all. They finally found out that he had a congenital disability. He did his job for the country, and that is all there is to it. He certainly is entitled to his pension. I mention that just in passing.

For years we have been trying to better the position of the war widows. The hon. minister knows on many occasions we tried to get justice for those people, and I am glad to see that at last they are to have a little justice.

Another thing that I want to take up is the question of rehabilitation, particularly of the men who come back from the war and go into Christie street hospital. One of those lads asked to see the head of the rehabilitation, Mr. Kidd. There were not so many of the fellows around there that he could not see this young lad, but he sent someone else. That is not the way in which these young lads should be treated. They should be treated in a more diplomatic way; and from what I gathered when I was at Christie street hospital the other day, things are not right in connection with the situation there. Everything should be done to satisfy these men. Everything should be done to see that they get back into their jobs. One thing that did not please them was the allowance of $42.20. That has now been raised to $65 for a single man. That is a help. The $62.40 has now been raised to $80. That will help a good deal as well. But take the case of the young lad who gave up high school to go into the army. He has been in the army for four and a half years, and is now back in the city and he wants to know what he is to do. The officials do not go about this matter in the right way. Everything possible should be done to treat these men like human beings. They should not be ordered around like a lot of kids, or something of that kind. Certainly the way in which it is being done there at the present time is not right.

The men who are in the hospital waiting for discharge and rehabilitation had the feeling of "Oh, well, what is the use?" Something has to be done about the matter. Some more care has to be taken in connection with it. I do not want to go into it *ad nauseam,* but one of those fellows told me if he had not been wearing the uniform he would not have taken what was handed out to him by a man who was supposed to have the interests of the boys at heart. That is the situation. More care must be taken in the selection of men who are to be on this rehabilitation committee. Things are not right despite all the publicity given to the rehabilitation committee. All this talk about what they are doing is just bunk. It has to be changed.

Another matter is the question of men going back into employment. The law says that they are to go back to a position which is no worse than the one they would have had if they had not gone to war. What is the result? They are not getting justice. I do not know whether this matter comes under the minister's department or some other department, but I am bringing it up now to see that something is done about it.

[Mr. Douglas G. Ross.]

The next thing I should like to mention is the Christie street hospital. It was said here by the hon. member for Trinity and the hon. member for Parry Sound that nothing had been done about it in all these years. When the building was first purchased it was the best thing that could be done at that time. I certainly think that is all there was to it. Casualties were coming in and something had to be done. But there is no excuse for having kept the hospital all those years and not doing something about it. We were not in a war at that time and I suppose it was thought that some other change would be made. Anyway, the hospital is not suitable for the purpose for which it is used. I do not know what arrangements the government have made for the casualties which will be coming back. On November 11 last we were invited to go out to Sunnybrook farm. We thought that at last that something was going to be done. We were very much heartened. We had a big gathering out there. Everybody had invitations. We had bands, and so forth. There we were out at Sunnybrook farm, a great gathering and very cheery. I remember quite well—

An hon. MEMBER: Any liquor?

Mr. ROSS (St. Paul's): Oh, there is that desk-thumper again. I remember quite well how everybody was heartened when the minister was handed a lovely silver spade with his name engraved on it. I thought, by golly, how I should like to be right in his position, starting in to dig that foundation. Really, what we should have had instead of the minister up there digging—he did the best he could with his ability and with his little spade —was some darned good steam shovels. That is what we should have had. What the people of Toronto and of this country want is action. It is all very well to have those ceremonies and speeches from the throne and all the window-dressing all the way down the line, references to the millions and millions of things to be done, but action is what is wanted. We want to know what is to be done and how these young fellows are to be taken care of. The hospitals in Toronto are crowded to-day. The General hospital has a waiting list of something like four hundred. The Western hospital has a waiting list of something like 250. All the other hospitals are in the same position. You cannot get into one unless you are nearly dying. Something must be done. We do not want just promises; we want action.

Christie street hospital is not the place to take care of these men. I know a lot of work has been done on it, and it has been improved to a certain extent, but there is not going to be room there even for these fellows, and the

condition under which these boys have to be treated is just too bad. Something must be done about it.

Then I should like to say a word about soldiers who are on leave. It has been said that when a soldier is on leave he is on his own, but we must remember that if that soldier gets run over or hurt in any way he has no way of taking care of himself. We have no social security in this country for him; he is not able to take out accident insurance, because the companies will not issue such policies to men in the forces and that is all there is to it. A soldier is just as much in the forces when he is away on leave as when he is in camp. It is part of his job to go away on leave, to get rested up again and rehabilitate himself. Therefore it seems to me that he is under military discipline all the time he is in the army and that it is up to the country to take care of him.

I cannot usefully add anything at the present time, but later on I may have something else to say. I do, however, want that hospital started. We do not want to go up there again next November and have the minister take out another piece of sod. It will take a good many million years to build the hospital if we are to have i done a spadeful a year; and we do not want promises.

Mr. POULIOT: First may I say that the minister of this department is one of the most likeable of the hon. gentlemen who adorn the treasury benches; I hope he will not put me under the painful necessity of withdrawing that remark. This is said to be the pensions branch of the Department of Pensions and National Health. It should not be so; it should be called "veterans' affairs." We have before us now a bill to divide this department in two, to make twins of it, and this item should be under the pompous name of the new department. In the new order there will be no pensions; there will be veterans' affairs, and these estimates should be designated accordingly.

This item is for an amount of $9,000,000, as compared with $4,225,000 last year. It does not take into consideration pensions paid to veterans of the last war, which should be under this item. There is no possible reason for putting pensions paid to veterans of the first world war among the civilian estimates, while these pensions come under the war appropriation. All military pensions should be considered in the same way; the only difference between the last war and this one is that the veterans of the last war got pensions while the veterans of this war are getting none. They are getting allowances. I denounce most bitterly and with the greatest vigour the actions of the pensions board who always deny the claims of returned men for pensions. The minister said to me, "We will change the law, if under the law as it stands it is impossible to grant a pension to a man." I say that is not necessary, that we need only apply the law according to its letter and spirit in order that the men may receive the pensions to which they are entitled. During the last war many promises were made by the union government. Men who enlisted were told that they would receive, in the form of pensions, compensation for disabilities suffered during or resulting from their service. The life of a man in the army, the air force or the navy is most exacting. Very often a man is classified, on discharge, as absolutely fit, when actually he is not, when he may have a predisposition to a certain illness or disability resulting from the fact that he has lived a most strenuous life during the years of war. That should be taken into consideration. Many men think they are fit when they leave the army when in fact they are not; it is not until five or ten years after their discharge that they suffer a disabiltiy which perhaps they never would have suffered at all, or would not have suffered until much later, if they had not served in the army. That has to be taken into consideration. It has been my experience that many men who were qualified for pensions never received them because they were told they had applied too late. That is not a good reason.

There is another matter I should like to bring to the kind attention of the minister. Take the case of a young man in the army. He is exposed to cold weather; he contracts a cold which is not properly looked after; it degenerates into bronchitis; his lungs are affected, and he puts in a claim for a pension. The first answer he receives is, "Your illness is not attributable to your military service." Then he is told that he has the right to appeal from this decision, and that he may get in touch with a certain gentleman, a lawyer appointed to look after the interests of the soldiers. He does so, but still he is not successful. There was an orgy of pensions after the last war, and I wonder why the boards should be so stingy now in allowing pensions to men who deserve them. And, worse than that, it is within my knowledge that men have been told, "Resign from the army, and you will go home." Take the young man who is at camp, under doctors who are not under the jurisdiction of the Minister of Pensions and National Health. Some of them are only blacksmiths; some are men who are the scum of the learned faculty, men who would have no clients if

they were in civil life. These men look after the soldiers, and most improperly so. And they tell the soldiers, "Resign from the army; abandon your right to a pension, and you will go home." Naturally the boys are anxious to go home, and some of them sign. But is it fair?

The idea of the doctors who make such suggestions is that they are saving money for the country—saving money for the country at the expense of the poor soldiers who have a right to pensions, and who are deprived of them either because these men are too incompetent to look after the soldiers, or because they want to make a pedestal for themselves with the amounts of money which are not paid to those who have a right to it. This is a shame, Mr. Chairman; no officer, whether of the Department of National Defence or of the Department of Pensions and National Health—and I speak mostly now of the Department of National Defence—is qualified to hold a commission when he speaks like that to anyone in the rank and file, any non-commissioned officer or any officer. That is my point of view, and I am sure that it is also the point of view of the members of the committee.

Here is an amount of $9,000,000, a big sum—although it does not seem so considerable now, because we are spending billions of dollars. But it is a sum of money which must be paid to help men who suffer from disabilities incurred in the services, or resulting from their service whether in Canada or overseas.

The minister will support me when I say that if these men do not always receive pensions they are awarded allowances. I will tell him that in many cases I have looked into he has seen to it that some men who had been dealt with unfairly by the board of pension commissioners, and even by the appeal board, were given allowances. He understands those problems, and he is entitled to full credit for what he has done. But there is a difference between an allowance and a pension. A pension is something which is supposed to last much longer than a temporary allowance. Then, too, it is given on different grounds. It is not an act of charity toward a soldier, but is rather an indication of a debt by the state to a man. On the other hand, an allowance is supposed to be a gratuity. It is given in good spirit, and helps along, but it is not the same as a pension. A man has no legal claim to an allowance. It is something granted according to pleasure.

I give credit to the minister for what he has done. I give credit, too, to Major Ferland of Quebec city, who is doing good work. Just to show what is happening in some instances I shall mention a case of a non-commissioned officer who holds a most coveted decoration, the Victoria Cross, and who is now in Christie street hospital, in Toronto. I am not sure of the facts, but I mention them in order that the minister may have an opportunity to ascertain what the real facts are. This man is sick, and receives an allowance of $40 a month. Out of that he is supposed to pay to the hospital for his board $30 a month, leaving him $10 for pocket money. He receives a gratuity in connection with his Victoria Cross, of £10, or $40 or $50. But that amount is supposedly subtracted from the $10 he receives each month, or $120 a year. Is this reasonable? If these facts are true, then it is shameful to find that a man who has exposed his life and who has been decorated by the King himself, does not receive in full the amount of £10 sterling which goes with this decoration.

I do not state these facts positively, but I want the minister to get full information. I shall not mention the name of the gentleman, but I am ready to give the name to the minister in private at any time he wishes. It will be easy for him to find out if these are the facts. If they are, then it is pitiful. There should be a complete reorganization of the staff of the Department of Pensions and National Health, from the deputy minister down.

As it is now, it is impossible for men in the army to get any satisfaction from the board of pension commissioners, the first board before which they appear, or from the appeal board. If we had one-half or even one-quarter of that staff, and if the money paid in salaries to nonentities were given to the men who suffer because they are not given what they are entitled to by the state, or who are not given what is owed to them by the state, there would be much more satisfaction among the veterans.

They are a cheerful lot; they are not complaining. They have been exposed to all the dangers; they have been exposed to death. Even if a man asks for nothing he is entitled to the gratitude of his fellow citizens; and that recognition must come from the state. It is not a question of playing politics, it is a question of this being the time to look after the welfare of the underdog, of those who are not permitted to lodge complaint with their members of parliament.

It is a shame that members of the armed forces, whether wounded or disabled, are denied the opportunity of other electors to get in touch with their members of parliament to lodge any grievances or complaints they may have. May I remind you, sir, that the right to petition belongs not only to civilians but to men in the army as well. If they have the

right to petition parliament, they should have a right to get in touch with their members who are the link between themselves and the government and whose duty it is to do all in their power to have wrongs redressed and grievances ironed out.

To conclude, may I say in the most friendly spirit that the minister should think of the men who have suffered injustices from those in his department who sit in comfortable chairs. He should arm himself with a broom and clear out of his department all the bureaucrats who have shown that they are far from friendly to the returned men and those who have suffered disabilities while in service.

Mr. BRUCE: Mr. Chairman, I make no apology for speaking at this time upon a matter which is causing such devastation, not only in our armed forces but in the civilian population. I refer to venereal diseases. A few weeks ago two young naval ratings under nineteen years of age complained to me in Toronto that when they were returning to their quarters at the exhibition grounds at night they were accosted by women hanging around the Prince's gate. Only to-day a young airman who had recently spent a couple of days in my home town told me that only three-quarters of an hour after he had reached his hotel room he was called up three times by women whom he did not know to see whether they could come up to his room. This situation is sufficiently serious to justify some consideration at this time. There is a lack of proper control, especially in the larger hotels, over the activities of professionals and, even worse, of amateurs. This has become nothing less than a scandal.

May I refer to an article which appeared in *Maclean's* magazine of February 15, 1944, written by Mr. Blair Fraser. In it he speaks of venereal disease as saboteur No. 1. Hon. members will remember the illustration that appeared at the top of his article. Among other things, he says:

> Lieutenant-Colonel Donald H. Williams, who for the past year has been chief venereal disease control officer for Canada, estimates that possibly 300,000 Canadians have syphilis and that 10 per cent, or 30,000 of these will die of it.
>
> In the services, of course, the statistics are precise, although the 35,000 total quoted is a computed figure. In spite of numerous requests no recent figures on VD incidence had been published when this article was written.

The figures he gave for the air force show 2·1 new cases per 1,000 per month. In the army there were 4 new cases per 1,000 per month and in the navy 5·29 new cases. Multiplying those monthly rates by twelve we get an incidence per 1,000 of 25·2 in the air force, 48 in the army and 63·4 in the navy. I am glad to be able to say that the army established a department of venereal disease control a little over a year ago and appointed Colonel D. H. Williams as director. He has associated with him liaison officers for the air and navy. His work now extends across Canada. It is interesting to note that Colonel Williams has recently been appointed adviser for the British government on venereal disease control for the Anglo-American Caribbean commission, which will take him to Jamaica and other islands in the Caribbean sea.

The control which the army and air force have now put into effect has resulted in a great reduction in the incidence of venereal disease. Our aim now should be the mobilization of the civilian population in a venereal disease control programme. There should be blood tests made in industry as well as before marriage. In order to give something of a comprehensive and brief account of the situation with regard to this disease, I am first going to the western coast, to British Columbia, where the first and best work on the control of venereal diseases has been done. I am sure the minister will be interested to know this, although he probably knows it already.

In the Pacific command where a good civilian programme of venereal disease control has been in force over a period of years, the venereal disease rate in the Canadian army forces stationed in that area has since the beginning of the war been consistently in the neighbourhood of one-half of that for the rest of Canada, and one-quarter of what it is in certain sections of the country. In a review of the whole situation certain factors emerge which indicate why British Columbia has led the field in venereal disease control, factors which may serve as a pattern for control in other parts of Canada. Briefly they are as follows:

1. British Columbia has provided modern facilities for the diagnosis and treatment of venereal disease. The clinics have been made attractive in order to encourage attendance, and courteous service is rendered at all times. A social service department is maintained, not only to trace contacts but to assist patients in making satisfactory adjustments. A comprehensive record system is another feature, without which a venereal disease control clinic cannot trace its contacts and cannot measure the success of its efforts.

2. There is in British Columbia a relatively high standard of living reinforced by progressive social service measures. I wish strongly to emphasize the fact that the fight against venereal disease is a fight against squalor, slums, overcrowding, bad housing, hunger, neglect and insecurity.

Mr. DUPUIS: Caused by low wages.

Mr. BRUCE: Yes, I have no doubt that is quite true, and I hope it will not exist after the war.

Mr. DUPUIS: And some of it comes from Toronto.

Mr. BRUCE: 3. It is quite clear that the public health authorities in British Columbia recognized that the education of the public was vitally necessary if the programme were to be successful. A separate department was established for the purpose; the hush-hush attitude toward venereal disease was dispelled and the facts were made known.

4. With an enlightened public there was community support of the different methods employed to control venereal disease, particularly in regard to law enforcement. It must be remembered, however, that while venereal disease is a problem of national concern the conditions which facilitate its spread are essentially local, and in the main local action is necessary to meet these conditions. I am informed that the Greater Vancouver Health League, the Vancouver Junior Board of Trade and the Vancouver Council of Social Agencies were and are continuing to be of great assistance to venereal disease control authorities in British Columbia. Might I urge that similar voluntary groups throughout Canada be encouraged to participate in a national programme.

5. One cannot examine the British Columbia programme without realizing the importance of effective law enforcement in controlling venereal disease. In this regard the salient features were as follows. British Columbia did not make the mistake of directing action solely against the prostitutes when tackling the problem of prostitution. It was realized that the girls are simply the employees of unscrupulous third-party interests who are the "facilitators"—those who derive profit from the business but are seldom brought into court. Among these are the "madames", the racketeers and the owners and agents of the bawdy houses. If prostitution in Canada is to be brought to a minimum, with a subsequent reduction in venereal disease, the police authorities must concentrate their efforts on bringing these various facilitators to justice.

I next wish to call attention to the necessity of enlightened attitude of magistrates. The futility of imposing small fines for prostitution offences was also realized in British Columbia. Such a practice is no deterrent to a repetition of the offence, and a civic administration simply places itself in the invidious position of deriving revenue from immoral behaviour. The realistic attitude is to impose gaol sentences for prostitution offences, so that it may be demonstrated that the community will not tolerate the activities of those individuals who are spreading venereal infection.

To amplify this further I would say that a vicious habit has been growing in Canada in cases where prostitutes are brought before the courts, of magistrates giving them a fine, instead of giving a gaol sentence for the third party. The result of this is to force girls back on the street to earn enough to pay the fine, while nothing is done to punish the people who live on them.

In British Columbia it was shown that certain hotels and rooming houses were making their premises available for sexual exposure resulting in venereal infection. It was also demonstrated that infected pick-ups made a practice of congregating at certain beer parlours, restaurants and dance halls. Other similar establishments had no such record against them, so that it was obviously a question of management. Many businesses responded to the appeal of health authorities to clean up, but for those that failed to cooperate more vigorous measures were necessary.

In British Columbia it was necessary to recommend that the licences of certain business establishments be suspended or cancelled, since they failed to cooperate with the venereal disease control programme.

I should just like to say here that the credit for all this work in British Columbia is due to Colonel Williams, who is now in charge of the national control of venereal disease.

I wrote to a number of the provincial ministers of health and I should like to quote two or three paragraphs from the replies I received from them. First I will read a portion of the reply from Mr. Cross, Minister of Health of Alberta. I wrote him to see what the situation was in his province, as I did to provincial ministers of health in the other provinces. Mr. Cross says:

> The grant made last year by the federal government has been of real value to us. It has enabled us to engage additional epidemiological personnel and our staff last year located and brought under control 73 per cent of all alleged sources of infection in this province. This is the top figure for Canada and I believe is unexcelled on the American continent.
>
> It is possible to control the venereal diseases, but it requires money to pay for the necessary personnel and it requires provincial, local and municipal police forces which can and will eliminate prostitution.
>
> The figures for syphilis in the gaols in Alberta are interesting. An examination for venereal disease, which includes the blood Wassermann test, has been made on every admission to our gaols since January, 1920. For the year 1920

the syphilis rate for the gaols was 16 per cent. There has been a steady reduction over the years to a present low of less than 3 per cent. We believe that there has been a corresponding reduction in the population as a whole. The syphilis rate in the gaols is very high because many infected prostitutes are sent there.

From Winnipeg the minister of health of Manitoba writes in part:

Under the present arrangements in Manitoba any individual who cannot afford to pay can receive free treatment for both syphilis and gonorrhoea. In the case of persons residing in the Greater Winnipeg area, such treatment is supplied through a clinic at the St. Boniface General hospital which is subsidized by the department. In the case of persons residing outside of the Greater Winnipeg area we pay the family doctor for treatment given and this under the supervision of our venereal disease control officer.

We believe that all syphilis cases are reported. In Manitoba, all laboratory examinations are done at our own laboratory, and in this way, we have a complete record of positive Wassermanns.

Then he gives details which I do not think I will take time to read.

I have had a reply from Doctor R. P. Vivian, Minister of Health of Ontario, and I wish to read just a few facts which I think are striking:

There have been reported to the department, since the onset of war, more than fifty thousand cases of venereal disease.

In the past seven years, 1937 to 1943 inclusive, a total of almost seventy thousand venereal infections have been reported. More than half of these have been the more serious disease, syphilis, which, if neglected, will continue, in the coming years, to fill hospital beds, mental institutions, and early graves. More important than even this total number of infections is the fact that with every year of the war there has been an increase in the number of cases reported. There were over one thousand more venereal infections reported in Ontario during 1943 than in 1942, making the enormous total of more than 13 thousand in 1943 alone. Some 7 thousand of these were cases of syphilis, and more than half of these were new cases, freshly acquired since the outbreak of war. The most serious fact is that among these 7 thousand people were almost 5 hundred who showed evidence of serious damage to the brain and nervous system.

The importance of this will be recognized when I tell you that, for the past fifteen years, one out of every eighteen persons admitted to our mental hospitals has been a patient with a scarred and riddled brain due to syphilitic infection. But it is not merely adults who have suffered. These figures include a number of tragic cases of little children, born with syphilis, acquired from their infected mothers.

These official figures tell only a small part of the story of this gigantic health problem. From a study of the departmental records, there is ample reason to believe that for every reported case of syphilitic infection there are at least two more people in the Ontario population who have syphilis, which has not been reported, many of whom do not even know that they are infected. For every reported case of gonorrhoeal infection, it is believed that as many as four or five other people have this disease. These cases have not been reported, probably have not been diagnosed, and the treatment has been neglected.

Hon. members will see at once how very serious it is to have people with that disease going about among the population.

The excessive amount of venereal disease in Ontario can perhaps be more clearly visualized when I tell you that in Sweden, in 1938, the percentage of syphilis was fourteen persons in every 100,000 population. In Norway, between the years 1933 and 1939, there were twenty-four people afflicted out of every 100,000. In Ontario, in 1943, there was the staggering total of 175 persons with syphilis per 100,000 population.

That is 12·5 times as many as Sweden and seven times as many as Norway. A new Ontario venereal disease control is being planned with seven important objectives, which I will not take time to give. I should like just to refer to an item published in the Montreal *Gazette* of February 23 last, which reports as follows:

Blood tests performed on women found in local rooming houses during last week-end's wholesale raids by provincial police resulted in no less than 33 per cent being declared diseased, it was revealed in police court yesterday.

Of the eighty-four cases for trial, twenty-six were found suffering from venereal diseases, while twelve of the forty were returned to gaol pending complete cure. Thirty-three per cent showed the blood test for syphilis. That indicates how serious it is to allow these women to be at large. May I express the hope that the provincial police of Ontario as well as the city police of Toronto will follow this splendid example in Quebec and do something about the closing of bawdy houses and dealing more actively with this great menace.

I think I have said enough to indicate the gravity of this disease, so that I will pass on to something else for a moment. The hon. member for Melfort to-day made reference to the necessity of having convalescent homes throughout Canada, and I want to support his opinion and to say that I think a large number of these convalescent homes should be built. They need not be large, and a number of them could be located in small communities, where the veteran might be near his home. We have an example in Toronto of a charming convalescent home, given by a citizen, Colonel Flanagan, called the Divadale Convalescent home, which was donated to the air force, and where Squadron Leader Doctor Harvey Doney has made a great success of the care of convalescents in the air force.

I do not think it is necessary for me to add anything to what has already been said about Christie street hospital. I am afraid that the minister has become allergic to the name. At

any rate I suggest that some time later he should give a statement telling the committee and the country what progress is being made with the new institution at Sunnybrook Park. I understand that the plans are well forward. We shall all be interested to hear whether contracts have yet been let, and, if not, when they will be let, and when, it is hoped, the structure will be completed.

I should like to pay a tribute to Miss Judith Robinson, who, in addition to the hon. member for Hastings-Peterborough and the hon. member for St. Paul's, has done such admirable work in calling attention, in her paper *News*, to the serious situation at Christie street hospital.

Mr. GAUTHIER (Translation): Mr. Chairman, I have listened carefully to the remarks of the hon. member for Parkdale (Mr. Bruce) in regard to venereal diseases. The statistics which he has quoted are more or less encouraging for the people and for those who look after their social and moral welfare. This should convince those who believe that the medical profession may still help our people that physicians, whether they be members of the board of the pensions commission or members of the Department of Health, should use utmost care in the examination of men returning to civilian life, whether they were overseas or whether they were simply called up for home defence, if there are still some of the latter. Indeed, soldiers returning to their positions in civilian life should undergo a most thorough examination. There should be no exceptions. Not a single man so unfortunate as to contract what is called for short V.D. should be allowed to return to civilian life before he has been cured and before his cure has been definitely ascertained by frequent and thorough examination.

However, if I rise to-night it is not especially to stress this point. I realize that the alarm has reached the whole population through the repeated warnings of the hon. member for Parkdale, who, being a physician, knows what he is talking about in the field of medical science. I wish to deal more particularly with a case which recurs and must doubtless do so every time men come back from overseas after having witnessed bombings such as the city of London has undergone in the first years of the war. This man arrives from overseas suffering from a trouble classified as "shellshock". A man enlists voluntarily or is compelled to enlist voluntarily, as you prefer, it all depends on the circumstances. He is sent overseas and becomes a victim of "shell-shock"; he was in class "A" or even "B", before leaving the country. He comes back suffering from severe nervous shock which practically makes a physical wreck of him. He returns walking with two canes and he may allow himself to be influenced by arguments such as were referred to by the hon. member for Temiscouata, a while ago. Certain medical officers or other army officials will advise him to sign his discharge papers immediately, so as to return more rapidly to his civilian occupation. If he accepts, he is then classified as a case of "preexistent neurosis." Two years ago, when I was in the army, I had a conversation with a prominent army medical man who told me that a ruling had been made whereby shellshock cases would, in this war, be classified as "preexistent". The expression "preexistent neurosis" is a high-sounding one which means that those who return to this country with that complaint will have no chance to obtain a pension.

Some cases have been brought to my attention; for instance, a soldier, father of seven children, who had volunteered in the very first year of the war and had spent twelve months in England under the worst bombings. He was serving with an ambulance and each night he had to leave his camp in the ambulance with the medical officers to attend the wounded under a rain of bombs. On his return here twelve months later he was a physical wreck. It was suggested to him, as the hon. member said a few moments ago, that he would stand a better chance of obtaining a pension if he signed at once, and that his case would be looked after more expeditiously. That is just one case, and I know that there are many. There are some which date from the last war and in this war such cases will of course be more numerous. That man had been put in category "A" and his neuropathic history cannot suggest to any army medical officer that his neurotic condition existed prior to his enlistment. I have personal knowledge of that case.

That man who, on his return, could only walk with two canes, spent three months in hospital, applied for examinations, claimed a pension, and was referred to various officials. When I interceded on his behalf, I was told that it was a case of "preexistent neurosis". If that man had a neurotic condition prior to his enlistment how is it that the medical officers who examined him, who no doubt asked him questions and put him through a careful examination, put him in category "A". How could he be classed in that category if he was suffering from neurosis? His medical history does not indicate that he ever had any nervous complaint. He had, however, suffered from infection due to the poor condition of his teeth, which had made

him nervous for a few weeks but it was not essential neurosis and it could not be pre-existent. After that man had withstood bombings during twelve months he was tagged as suffering from preexistent neurosis. If that condition existed prior to his enlistment, how is it that he was put in category "A" and sent overseas? No conscientious physician with a sufficient knowledge of medicine could have put that man in category "A" if he had suffered from neurosis and sent him to withstand bombings. I am not indulging in any bitter criticism, I am simply putting some facts before this house in order that the minister may take action, if a ruling has been made, without his knowledge, by army medical officers to the effect that a man who returns to this country suffering from a severe nervous breakdown must inevitably be considered as having a preexistent neurotic condition. It is preferable to have at each examination on demobilization a flock of specialists in nervous diseases in order carefully to look into his past life and into his family history, and to ascertain whether the mere burst of a shell may have reawakened a neuropathic condition which could not be detected by three physicians at the time of his enlistment.

Therefore, I ask the department of health, and the minister in particular, to see to it that soldiers placed in category "A", whose medical history does not reveal any serious nervous trouble, but who afterwards become shell shock cases, receive the undivided attention of the medical examiners, and the solicitude of the Department of Pensions and National Health and of the Department of National Defence, and especially the latter, so that these ex-service men, who have done their duty, who have endured their share of sacrifices to defend our liberty, and who have deemed it their duty to volunteer for overseas service, may not find upon their return that the words uttered the other day in England by our Prime Minister were nothing else but words.

The Prime Minister stated, in his speech delivered in England only a few days ago:

> We owe it to all who bear the heat of the strife; we owe it to those who are crippled and maimed. . . .

Neurosis is a crippling affection, for even though nervous symptoms are not ever present, the man who suffers from a severe nervous shock, in spite of apparent momentary temporary recovery, is always dangerous. If he works in a factory where accidents are numerous, he becomes a menace to his fellow workers for, on the impact of a sudden emotion or shock he may relapse into this severe neurotic state and provoke accidents among his companions.

Mr. DUPUIS (Translation): It is incurable?

Mr. GAUTHIER (Translation): I would not say it is. I know that some cases are incurable, but they are not all incurable.

> . . . we owe it to those who are crippled and maimed; we owe it to the many homes that are bereaved; we owe it to the memory of those who give their lives; to do all in our power to ensure that their service and their sacrifice shall not have been in vain.

This man who has enlisted after having been placed in category "A"; who has undergone bombings; who has been exposed to torpedoing in his trips across the ocean; who returns to this country with a promise on the part of the government that his rehabilitation will be taken care of, so he may himself look after his family, knows perfectly well that he will not be in a position to care for his dependents in the same way as before. Although he does not wish for riches, he expects a certain share of the necessities of life. If he suffers from a severe nervous breakdown, with ups and downs, he will not be able to procure the same standards of living for his family. He will be sorely disappointed and cruelly deceived, especially when he is refused a pension.

> In the past, the sacrifice of human life in war has been commemorated in monuments of stone or bronze. After this war we must create a more fitting memorial. That, I believe, will be found only in securing for others the opportunities of a more abundant life.

The returned soldier does not even expect that much; all he wants is to be looked after and decently treated. If, in the past, he has never had any nervous complaints, let us not, after he has been subjected to repeated bombings, tag him as suffering from a neurosis existing before he was placed in category "A" by the army medical officers.

(Text)

Mr. ADAMSON: During the last few days a book has been published entitled, "When the Boys Come Home", written by Mr. C. N. Senior, one of the senior departmental officials of the ministry. The first paragraph of the chapter on hospitals and medical care contains the information that when the present war broke out no fewer than 2,300 members of the armed forces of the last war were receiving medical care in departmental hospitals. Many of these, of course, were temporary cases, but a number had been receiving hospital treatment continuously during the intervening years. The salient point about it is that at that time, twenty odd years after the end of hostilities in the last war, no fewer than 2,300 ex-service men were undergoing hospitalization.

That gives us a guide to what we may expect in future, and points to the seriousness of the situation we are facing. At the beginning of the war the department had 2,595 beds available; at the end of December, 1943, some 4,108 had been added, making a total of 6,703. I mention these figures because I consider the accommodation totally inadequate to meet the casualty lists we must expect, unfortunately, in attacking the fortress of Europe. If the raid on Dieppe is any indication at all, the hospitalization already provided by the department is totally inadequate. Please God that Dieppe may not be an indication, but it has happened and we must be prepared for eventualities.

I am not going into the question of Christie street hospital, but anyone familiar with the conditions that have existed for the last twenty years in connection with the care of permanently incapacitated men cannot feel very proud of his Canadian citizenship. On November 11 last I, together with many others, saw the minister turn the first sod at Sunnybrook with his silver shovel. Months later I saw a picture of the area with the rest of the sod still unturned, with the comment that progress at least had been reported because the divot had not been replaced. We in Toronto have a new name for Sunnybrook; we call it "Frozen Brook" now, because we do not know how long it will be until a real start is made on this vitally important hospital. The minister may and no doubt will say that he is being held up because of priorities. Last year I had the good fortune to visit one of the United States bases in the West Indies taken over under lease-lend; to be exact, Bermuda. There they have built not one but two hospitals. The one I saw had completely equipped operating theatres and the very latest medical and therapeutic instruments; a hospital, to judge by its size, with over a thousand beds. In addition, they built for the naval personnel a hospital of something under a thousand beds. So that I say to the minister there is nothing the Americans, at any rate, consider of greater importance than hospitalization, and I submit that there is nothing we in Canada should consider ahead of the hospitalization of those who are risking their lives for us. In the last week or two I had a further opportunity of seeing a large United States service hospital. I think it is invidious that we in Canada should lag, as we do, behind the United States and other parts of the empire in the care and hospitalization of our wounded.

After the war is over we may expect to have a large number of men who will probably require years of hospitalization, and a few of whom will require permanent treatment. I suggest to the minister that he establish at once hospitals outside the major cities, away from the turmoil of the great industrial centres, to look after these cases. We have in Canada a large number of health resorts. I have in mind in this connection resorts such as Banff, where tremendous and expensive hotels have been built to care for the tired business man in the summer months. These resort hotels have been well patronized, and I understand the value to those who frequent them is great.

I suggest to the minister that some consideration should be given to the creation of convalescent homes and hospitals in places such as Banff, Radium Hot Springs, Harrison Hot Springs, and all these places are in the Rocky mountains, but there are others elsewhere. At the present time Harrison Hot Springs has been taken over by the Department of National Defence. I suggest that these centres should be used for purposes of convalescence and lengthy hospitalization. We must see to it that the man who comes back from this show is adequately hospitalized.

I can remember when, at the time of the last war, Christie street hospital was opened. Men coming home were placed in old Knox college, a depressing building. They were even put in the cellar of that building—one of the most sinister situations, as anyone who was unfortunate enough to go through that institution will tell.

I shall not take the time of the committee to discuss clothing grants, or other matters at this time. I shall wait until other items of his estimates are before us.

I must say, however, that so far, up to the end of 1943, we have increased our hospitalization by only 4,000 beds—and we are now engaged in the greatest military, naval and air struggle of all time. If we have the casualties on the scale we have been warned to expect, this accommodation will be hopelessly inadequate. I know there are future plans; but with the progress—or lack of progress—at "Frozen Brook", let me say that it is very little encouragement to the men in the armed forces to see that merely 4,000 beds have so far been provided. And remember this, that at the beginning of this war we had about 2,500 beds, of which 2,300 were occupied.

That is the situation we face in Canada to-day. Nothing could be more serious, and nothing requires more immediate attention than the hospitalization of those who will suffer through actual combat. I say to the minister in all humility: for heaven's sake get on with the completion of, or at least start, Sunnybrook, so that we will know there is to be a real hospital on that site.

Mr. McCANN: When the hon. member for Parkdale took part in the debate he gave some interesting and, I am sure, accurate statistics with respect to venereal disease in Canada, more particularly how it affected the army, and how the disease would be reflected in its effect upon veterans, and the pensions which might be paid to them on account of disabilities arising from such disease.

The hon. member appeared to convey the impression that nothing was being done throughout Canada, and that efforts in that direction were confined entirely to British Columbia. In order to have the record straight let me say that the division of venereal disease control of the Department of Pensions and National Health has already launched a vigorous educational programme for the eradication of these diseases.

The medical profession are glad that Colonel Williams, who is recognized as one of the leading men in the profession in this specialized study, is now chief of the division of venereal disease control. He is quoted as having said that this easily preventable human tragedy of syphilis and gonorrhoea is largely a heritage of neglect, prudery and failure to face the facts. But it was not until last December, when a national venereal disease control conference was held here in Ottawa, that this problem was really attacked as it should be, and some direction along the lines of an educational and treatment programme was outlined. Up to that time too much attention had been paid in Canada to curing the infection only. The conference which was held was aimed at the sources and causes of the dreaded social diseases, and the deliberations of more than one hundred physicians and visitors from other countries resulted in resolutions which, if carried out, should see venereal disease under control in Canada within the present year.

Perhaps of first importance was the recommendation for a publicity programme to educate the public through the newspapers and by lectures, motion pictures, posters and pamphlets. The venereal disease control division was reorganized last year for an organized attack on venereal diseases, and a consultant in public educational work, Mr. H. C. Rhoades, was appointed to prepare and carry on that programme. At the conference held last December a sort of charter to destroy syphilis and gonorrhoea in Canada was discussed and approved. Social workers and welfare agencies, police and legal machinery, were called upon to aid the physician with his weapons of modern science, while churches and homes lead the fight for better moral fibre in a general dominion wide effort to eradicate venereal disease or at least make it extremely rare. The conference drew up an interesting programme. Included in the approved programme were the following points on which the delegates agreed.

First, that they should give the facts. The facts concerning venereal disease will end the conspiracy of silence, banish outworn fallacies and remove false fears. The second point concerned treatment. It was decided that every Canadian who requires examination and treatment should have the best that medical science can provide. Free blood tests, free drugs, free clinics are being provided by the various health departments on the theory that it is cheaper to cure and prevent than to pay taxes to care for the ravages of neglected infection.

Another point in the programme had to do with the abolition of quackery. Laws exist to protect citizens from the quack and the charlatan. Only qualified physicians are permitted by law to care for those suffering from venereal disease. The public must be protected from the incompetent and the rogue. The fourth point in the programme had to do with contacts and the investigation of contacts. Careful search must be made for all who have been contacts. Only by seeking those and by bringing them under treatment and medical supervision can the curse of venereal disease be destroyed.

It is well known that there are different methods of prevention, but the conference stressed two methods. The first was prenatal blood tests. Every expectant mother must have a blood test before the fifth month. They should demand it and insist upon it, because it is the only protection that many unborn children have. In addition to that, the conference suggested and advocated that there should be premarital blood tests and health examinations as safeguards against the sinister encroachment of syphilis upon the home and family.

Because the entire nation is mobilized for war, and because so many thousands are under close supervision in the armed services, Canada was never in a better position to combat the spread of social disease. I again quote Colonel Williams, who said:

> To-day as never before, events and conditions are favourable for the final eradication of venereal disease in Canada. There is a full tide of wholesome public interest, concern, and support for measures directed against these master saboteurs of our war effort. Never before has there been such an imposing show of force arrayed against the threat of syphilis and gonorrhoea.

I simply wanted to put on the record what the hon. member for Parkdale could have put

on had he wanted to give credit to the department for taking energetic and forthright steps with reference to this particular disease. I look forward with the greatest confidence to the time when that programme is put into effect, because I know that then the social evils will receive a set-back which they have never received before.

Mr. BRUCE: Mr. Chairman, I rise to a point of order. The hon. member for Renfrew South could not have been present when I spoke in the committee, because I am sure I did not create any such impression, or I certainly did not wish to, that the only place where venereal disease was under control was British Columbia. I thought I made that quite clear. I said that British Columbia was the first province in Canada to undertake extensive venereal disease control.

Mr. McCANN: There is no point of order. If the hon. gentleman wants to make another speech let him wait until I am finished.

Mr. BRUCE: I am glad the hon. member has supplemented what I said, but I had no intention to leave that impression and I do not think I did.

Mr. McCANN: I do not wish to impute to the hon. member for Parkdale anything which should not be imputed, but I did not hear that particular part of his remarks which would convey the impression that the Department of Pensions and National Health had instituted a programme such as they have. In order that the record might be straight and in order that it might be on the record at the right time, I thought I should say what I have just said with reference to it.

While I am speaking on the war appropriation for the Department of Pensions and National Health I should like to make a few observations with reference to hospitalization and the treatment of pensionable war veterans. The present situation with regard to the treatment of pensionable war veterans is that the department maintains hospitals of its own throughout the country or uses facilities of other hospitals in the larger centres. A man who is pensionable and wants treatment must go to these hospitals to be treated by attendants who are employees of the Department of Pensions and National Health. I have heard many complaints about this, from both pensionable veterans and members of the medical profession. Pensionable veterans do not want to leave their own communities where there are proper hospital facilities and adequate medical care to go to centres far distant from their homes. I am sure that this condition could be remedied.

As witness of this I would cite to the minister what obtains with reference to the treatment of patients who come under workmen's compensation. I suggest that there are as many workmen compensation cases in Ontario in a year as there are veterans who are receiving pensions who require treatment. Workmen's compensation cases are treated in the hospitals in their own communities by physicians of their own choice. I am sure veterans would be more contented at home and would be able to have some freedom of action in choosing a hospital and the doctor who would attend them. When the war is over, regimentation with reference to veterans should cease. They should not continue to be pushed around as they are when they are told that they must go to a certain hospital.

For instance, take the situation in the Ottawa valley. Any man who is a pensioner and needs treatment is supposed to come to one of the hospitals in Ottawa. Splendid facilities are available in Brockville, Smiths Falls, Perth, Almonte, Renfrew and Pembroke, all within sixty or eighty miles of Ottawa. There are men in those districts equally competent to give treatment to veterans, and I think it is generally recognized that they have as good equipment in those institutions as they have in Ottawa. Furthermore, in almost every one of those communities there are medical men who are veterans of the last war. They feel it keenly that their services are overlooked and that they are not being used for the treatment of their fellow soldiers.

Another matter on which I should like to speak briefly has to do with the remuneration and the salaries of medical men in the Department of Pensions and National Health and in the service, and the salaries of both medical and dental men who are in the hospital service in the large state-owned institutions. I think they are being grossly underpaid. Men on salary of over $3,000 a year have not received any cost-of-living bonus, and I think it is high time that they received some extra compensation for their services during the war period when they are particularly busy. When we take into consideration the cost of medical education, the long years of preparation, and the comparable salaries which are being paid to men in other professions, the medical doctors in the department of health and the doctors and dentists in our state-owned hospitals who are treating veterans are grossly underpaid. I hope that the minister will give this matter his consideration and see that these men are given better remuneration.

Having brought up on several previous occasions the matter of the use of hospitals

in smaller communities and having got nowhere with my recommendations, once again I recommend to the minister that this matter be given his serious consideration.

Mr. DIEFENBAKER: There are a number of suggestions that I should like to bring to the attention of the minister. I am sure that those who have followed the course of the speeches made to-day have been impressed by the non-partisan attitude displayed by all members to this important problem. As I look back over a period of four years I think of the many suggestions made on the part of His Majesty's opposition with relation to the treatment to be accorded to returned soldiers and other service personnel, and of the number that have been implemented. Year by year we look forward to the discussion of the estimates of the Department of Pensions and National Health, knowing that if our suggestions are able to command sufficient support in public opinion throughout the country they will be finally implemented into legislation.

To-night there are a number of references that I intend to make in as short a time as possible. The first has to do with the establishment of the insurance principle in pensions. True enough, in 1941 by legislation the members of this house accepted in principle the order in council that had been passed by the executive in May of 1940. The insurance principle, so far as service personnel serving in Canada only are concerned, was denied by that legislation, and ever since there has been on the part of all soldier organizations and also on the part of members of this house, irrespective of the side on which they sat, a demand that the insurance principle be applied so far as service personnel serving in Canada only are concerned. There is no opportunity to-day for private members to introduce private bills or resolutions, and I make the appeal to the minister that, without regard to other considerations, he give the members of the house an opportunity at this session to decide whether or not they wish to repeal that section which was enacted in 1941. I think that if that opportunity were given to members of this house they would, without exception, follow the suggestion that has been so often made by the hon. member for Souris, the hon. member for Hastings-Peterborough, the hon. member for Vancouver South and the hon. member for York West, that the insurance principle should be applied in so far as those who serve in Canada alone are concerned, to put them on an equality with those who serve elsewhere.

The point I rose to deal with particularly this evening—and I wish to pay my tribute to the courtesy shown by the minister in allowing me to have a glance at his file in this connection—has to do with reestablishment loans for soldiers and other service personnel returning from overseas in order to enable them to enter into business and to operate their own private enterprises. To date that opportunity has not been given. There is a suggestion in "Post-war Planning Information", issued by the wartime information board, that one of the subcommittees of the advisory committee on demobilization and reestablishment is considering a proposal that capital advances be made available to ex-service men who wish to set themselves up in their own business. This is a very important matter. We are sure, so far as we can be under the legislation that now exists, that discharged members of His Majesty's forces and certain other designated classes of persons will be reinstated in their civil employment under the Reinstatement in Civil Employment Act of 1942. Before I pass from that, let me suggest to the minister that that act which we passed in 1942 has so many loopholes in it which only became apparent after the legislation had been passed, that I submit it should be referred to a committee in order to enable the committee to fill in those holes and assure those who serve that when they do come back they will be able to secure their old positions, the ones they left when they entered the armed forces of the country.

So far as the man who desires to go into agriculture is concerned, provision has been made to a greater or less extent; loans are provided for; land can be secured. But for the man who was formerly engaged in business, who had some little business of his own which he gave up in order to enlist in the armed forces of this country, no provision that I know of has yet been made. I speak subject to correction and I hope the minister will correct me if I am wrong.

As I see the position everywhere across this dominion, there are men who gave up their business, small enterprises, larger enterprises in some cases, in order to enlist. I suggest that we are faced with this problem and that we must meet it. After the last war, as of the 21st of November, 1919, provision was made for vocational loans in amounts not exceeding $500 in any individual case to enable service men to purchase tools and equipment for their reestablishment if they were retrained disabled men, and to pursue their training or education where disability made such training necessary, in cases where they were not entitled to or had not taken training under the Department of Soldier Civil Reestablishment. The record which the minister was kind enough

to place before me shows that, of $624,424.48 which was advanced, there was paid in cash up to March 31, 1942, $500,313. In other words, practically all of the advances which were made to enable these men to carry on and to purchase tools and equipment or to pursue training and education were repaid. I suggest that the time has come when provision should be made for loans by the government to men who sold their businesses in order to enlist, as well as to those who have the necessary ability to start small businesses for themselves.

I remember well, a little over a year ago, bringing up in the house a case which received considerable publicity across this country, the case of a man who had been engaged prior to the war in operating a hardware business. He left his stock on hand; he closed his business. He was invalided home, and he was unable to get permission from the wartime prices and trade board to enable him to carry on. As the law stands, under order No. 284 no person desiring to establish a business, unless it was operated within a period of one year preceding November 2, 1942, is permitted to do so. In other words, the men who enlisted in 1939, 1940, or 1941 up until November, who were in business, upon returning from overseas are not permitted under that order to open up the business which they formerly operated, or to start a similar business, without a permit. I believe that certain changes have recently been made in that regard, and those are steps in the right direction. Those changes came about through the fact that matters such as this were brought before parliament. After all, one reason why parliament exists is to enable those to whom injustice is being done to bring the matter before the house and the country so that redress may be given. Changes have been made in this regard, and I believe there has been a relaxation of this order, which I will ask the minister to explain, because there is still some doubt as to whether men returning from overseas may go into business.

When that difficulty is removed there will still remain another matter, concerning the large body of service people who, having no available funds, and there being no provision for loans to them, cannot open up the business for which they are peculiarly fitted. I do not believe there are facilities of this kind in Great Britain, but in New Zealand there is a provision for loans of a maximum of $1,800 to enable a veteran to purchase stock in trade or plant or to assist him with working capital. Interest is payable at the rate of four and one-eighth per cent, reducible to two per cent for the first year, or for the first three years, as the case may be. A similar scheme is in operation in Australia, where advances may be made by way of loan up to $900 for purchase of plant if the applicant is not eligible under a land settlement scheme. I believe that only in this way, through a government loan or advance to the men who serve, will those desirous of entering into business be enabled to carry on through the difficult days of rehabilitation. I suggest, therefore, that serious consideration be given to the establishment in Canada of a loan scheme such as I have described. We have legislation, introduced at the present session, to enable advances to be made and loans for development work, but as I understand that legislation it will not include within its ambit service men in the position to which I have referred.

Another matter to which I wish to refer is the decentralization of hospitalization so far as out-patient treatment is concerned. In Saskatchewan provision has been made for additional hospital facilities in Saskatoon and Regina, and I wish to draw the minister's attention to the merits of a lake about one hundred miles east of Saskatoon, Manitou lake, near Watrous, Saskatchewan. That lake is known all over western Canada for the medicinal values of its mineral water, the benefits which follow from receiving treatment for those suffering from rheumatism, arthritis and kindred ills. I believe the matter has already been brought to the notice of the minister, and I suggest that consideration be given to the establishment there for out-patients not requiring hospitalization in the ordinary meaning of the term, of a hospital for treatment of diseases such as I have mentioned. This lake has been known for 150 years for the medicinal values of its water.

Mr. MACKENZIE (Vancouver Centre): Which place is that?

Mr. DIEFENBAKER: Manitou lake, near Watrous. The minister knows very well the reputation which the place has. There are readily available facilities. It has the medicinal values, the railway facilities, and an established reputation for treatment; and I suggest that, as far as returning Saskatchewan soldiers are concerned who suffer from the diseases which I have mentioned and related ailments, in order that they may be enabled to receive treatment near home, the necessary hospital facilities might be established there.

One other item to which I would refer is in connection with war veterans' allowances. Throughout this country are a considerable number of imperial veterans who served in South Africa and afterwards came out to this country, who are not in receipt of a pension, having no pensionable disabilities, but who find

themselves, with the approach of middle age, the age to which so many of those old soldiers of the last war are approaching, the late sixties, in a position where they cannot carry on. The legislation as it stands to-day denies to them the opportunity to secure the assistance of the war veterans' allowance, because they were not domiciled in Canada at the time of their enlistment, which, as I understand it, is a condition precedent to that allowance being granted. The existence in various parts of this country of old soldiers who have given their best to their country and to this empire, unable to carry on, receiving no allowance, does act in part as a detriment to good morale in the areas in which they live.

The various soldiers' organizations have dealt with this matter from time to time, but as the law now stands these men are denied any such allowance. I suggest that some provision should be made whereby allowances, even on a compassionate basis, should be made available to those old comrades in arms who have served in a common cause with us and within the empire. I think, too, some reciprocal arrangement could be effected between Canada and the United Kingdom or that part of the empire from which those old soldiers came to the end that some allowances may be paid to them. I know of cases in my own province of men who served in South Africa. They are now sixty-five, sixty-eight or seventy years of age. They are unable to work, unable to secure old age pensions, being below the age limit, unable to carry on because no allowances are available. They are dependent on personal support from individuals in their district. I suggest to the minister that an alteration is needed in the regulations as they stand to-day regarding war veterans' allowances, so that those men, in proper cases, may be allowed the benefits of those allowances. That alteration would meet with the support of the members of this committee on all sides.

I think the suggestions that have been made to-day will be most helpful, not only to the minister but to the members of the committee. I know they have been most intensely interesting to myself. In view of the fact that I do not expect to be here to-morrow there is one other suggestion I should make with regard to the question of education of those returning from overseas. Provision has been made in part. I understand the regulations are ready in the United States. I have made considerable study of those regulations. An opportunity is to be given by the government to all veterans desirous of doing so to take college or professional training for one year after their discharge, with the right, if they have the necessary scholarship and ability, which is to be confirmed or demonstrated by their examination results, to carry on for a second, third, or possibly a fourth year.

The hon. member for Vancouver South said to-day that if there was one thing that should characterize the treatment of the men and women who have served it must be that of generosity. We are all in agreement with that. Under the United States plan provision is made to allow all servicemen taking advantage of it $50 a month for single persons and $75 a month for married persons. So general is the desire on the part of the servicemen and women to take advantage of university or professional education that under the present registration one-twelfth of those who are serving in the United States forces have given notice of their intention to take advantage of this further education.

In so far as Canada is concerned, provision is being increased from time to time for those who serve. Naturally there are still gaps to be filled. My reason for rising this evening was to place before the minister the claims of imperial veterans who did not see service with the Canadian army and were not domiciled in Canada at the time of their enlistment; the matter of decentralization of hospitalization as far as out-patients are concerned, so that they may receive such treatment as near to their homes as possible; and the matter of assuring to those who return and desire to enter into business that they may have an opportunity to do so, which is denied them to-day, because they will not be able to use the ordinary credit facilities which are available. These suggestions would not mean the expenditure of any great amount of money. The war veterans of the last war, by the repayment of about ninety-seven per cent of the amount that they had borrowed in order to receive training or for trade purposes, showed that loans made to them would be repaid.

I should like to hear the minister's view on these matters when he comes to make his report to the committee.

Mr. KNOWLES: There are one or two additional matters about which I should like to say a few words, but before doing so I wish to comment briefly upon some of the matters which have already been discussed during the course of the debate to-day. It is true that there have been a few sharp exchanges across the floor during this debate, but I am confident that the minister will agree that political fighting has been put on the

shelf, at least for to-day. Indeed, I have felt since coming to this House of Commons that there is no discussion into which all members enter more earnestly than the debate relating to matters affecting the welfare of veterans, both of the last war and of the present conflict.

As the hon. member who has just taken his seat has said, we rejoice in the fact that from time to time we witness improvements made by order in council in the treatment accorded veterans, and that makes it seem worth while for us to fight for still further betterments. If I take a few moments to add my voice with regard to some of the points that have been urged over and over again to-day, it is because with other hon. members on this side of the house I feel that it is worth while to do so. We are glad to recognize that some forward steps are being taken, and we hope that by our continuing to keep these matters to the fore, still further improvements will result. Therefore in just a few words I should like to add my support to three or four arguments that have been advanced quite frequently.

First, I refer to the matter of reinstating the insurance principle as far as men in Canada are concerned. I refer also to the desirability of getting rid, if we possibly can, of the words "pre-enlistment origin" with respect to the physical condition of men who were taken into the forces as A-1. Another point that has been made quite frequently, not only in this but in other debates, is the desirability of the benefit of the doubt, to use the phraseology used by the minister on April 28, really being given to the applicant for pension rights. I know the minister, when he spoke on this matter on April 28, tried to make the point that the law is quite clear that the benefit of the doubt is on the side of the veteran; yet the experience of so many of us in this house is that a great many veterans do not seem to find it that way. It is true that a great many cases we as members of parliament take up with the minister are satisfactorily dealt with, and there is no denying the fact that it gives us a great deal of satisfaction, after taking up a case with the minister, to be able to write back to the veteran who wrote us in the first place and report success as a result of our efforts. But every time we do that we are conscious of the fact that there are many others who perchance have not thought about writing to members of parliament, and still others who have simply accepted the unfavourable decisions that have been given without feeling that anything could be done about the matter. Our attitude is that the situation ought not to be such that cases can be dealt with unfavourably, when upon receiving special consideration through being brought to the attention of the minister by a member of parliament it can be found that they should have been dealt with favourably in the first instance. I realize that it is difficult to take care of this matter by legislation or even by order in council, but I am satisfied that it can be taken care of, shall I say, by the minister passing the word down through the entire administration of his department that the statement of principle and policy which he enunciated on April 28, and undoubtedly will enunciate again during the course of this debate, is to be carried out not just in theory but in actual practice. I hope we may see a further acceptance of the idea that the onus of proof rests upon the government, and that the benefit of the doubt is really on the side of the veteran.

Another matter that has been mentioned previously to-day is that of more favourable consideration being given to cases of psychological disturbance. We have been quite alarmed by the number of cases of men who are not given favourable consideration because of the nature of the incapacity with which they come back from overseas. I refer particularly to men who have served in the air force. We learn of cases of men whose condition is such that they are no longer of use to the air force, who are discharged after having served for two or three years; yet because the ailment is not strictly a physical one, frequently no pension is available to them. This is a new development brought about by the nature of warfare in which we are engaged during this conflict, and it seems to me that we should find more lenient ways of dealing with cases of this kind.

In thinking about this debate I thought we might not be permitted to discuss such matters as the War Veterans' Allowance Act and the treatment of widows of veterans of the last war, so that it is my intention to have something more to say about those matters when we come to the specific items in the civil estimates. And yet I thought you were quite right, Mr. Chairman, in permitting a discussion at least of a general character on those items during this general debate. Just in passing I should like to say that when we do come to the item having to do with the administration of the War Veterans' Allowance Act many of us will have something to say, because not only are we thinking of the veterans of this war, but we are still conscious of the needs of the veterans of the last war and we want to see them receive the very best that is possible.

When we come to the item in the civil estimates that has to do with the granting of allowances to widows of veterans of the last

war who, when they died, were on fifty per cent pension or less, again we in this group, and hon. members of all groups, will have something to say. We are grateful for the improvements that have been made in these allowances by order in council during the past several months, but there are still some definite improvements that need to be made and, I hope, will be made even before we get to that discussion. I should like to mention particularly the matter of hospitalization for these widows. Further, in connection with hospitalization, I hope one policy which has been in effect will be changed, if it has not been changed already. I refer to the fact that when widows on these allowances are hospitalized a portion of their allowance is paid to the hospital, and another portion is paid to the widow, but a small portion is withheld and not paid to anyone, on the theory that the widow, being in hospital, is getting something extra because of the services provided there. I have argued this point privately with the chairman of the war veterans' allowance board and the minister. It is my feeling that there is no valid reason for that procedure. When a widow on a small allowance goes into hospital, she still has a room or other living accommodation which she must maintain, and it is exceedingly difficult for her to keep things together if there is any reduction in her small allowance.

Another matter with respect to these widows comes to my mind because of an order in council which was tabled this week. As I recall it, the order in council provided that the widow of a veteran who was on pension and who, because of the amount of the veteran's pension, would be entitled to a pension herself, now can obtain that pension even though she did not marry the veteran until some time this year. That is a change from the former date, which I believe was 1930. I am hoping that the same change may be made without delay with respect to widows of veterans who died while receiving fifty per cent pension or less. I can see no reason why the same policy should not apply in both cases. If it is just that the minister has not given his attention to it I hope that he will do so, and that an order in council may be brought down in a few days.

There is one other matter. I do not suppose I can hope for this overnight, but I can certainly hope that it will be taken care of before long. I refer to widows of veterans of the last war, in cases where those veterans were on fifty per cent pension or less, and did not get into what was then known as an actual theatre of war. I refer in particular to many men who were in England. Those men were quite prepared to go to the front but, for reasons beyond their control, did not get there. Why these widows should be discriminated against because of that fact I find it exceedingly difficult to understand.

Perhaps I have taken longer than I should have on this subject, having admitted that it might be out of order; but since other members have referred to it—

Mr. MacNICOL: It has nothing to do with this vote.

Mr. KNOWLES: The hon. member may speak to it if he wishes, later on. Two other members in his group have spoken in the matter.

Mr. MacNICOL: They were out of order, too.

Mr. KNOWLES: Perhaps it is well to give the minister a preview of the case we shall be making on this point later on.

There is one other matter to which I should like to refer—and I think I can assure the hon. member for Davenport that it comes definitely under this item, which deals with the treatment of members of the armed forces and ex-members of those forces. I refer particularly to the number of medical personnel in hospitals under the supervision of the Department of Pensions and National Health.

I am not going to add to the debate we have already had respecting Christie street hospital. I refrain in part because I come from a city where, as was said earlier to-day by the hon. member for Souris, we have a hospital of which we are proud. The name of Deer Lodge is almost sacred to the people of Greater Winnipeg, and, indeed, to those of the whole of Manitoba. And yet, Mr. Chairman, it has been drawn to my attention on quite a number of occasions that the number of doctors available in Deer Lodge hospital—and I have been told it is the same in other hospitals under the department—is woefully inadequate. I have been told, further, that as a result of the fact that the number of doctors is less than it should be there has been a great deal of confusion and loss of time. I have been told that many veterans going into these hospitals must wait a long time before they get the kind of treatment they should.

I have been told by men in the armed forces that there was a reluctance on the part of doctors in the army, and particularly in Winnipeg, to have men discharged from the army hospital at Fort Osborne to go to Deer Lodge, because they are afraid

that when they get there they will not receive, as quickly as they should, a continuation of the treatment they have had while under the care of army doctors. This is not the fault of the doctors at Deer Lodge; the trouble is that there are too few of them.

It has been suggested to me that this is a tremendous problem, and that it may branch out into the whole question of insufficient medical men in the country as a whole, and also the problem arising from the fact that we have four different medical services. I refer to the army, the navy, the air force and the Department of Pensions and National Health. This raises the whole question as to the desirability of coordinating these services to a greater degree, or perhaps actually going so far as to try to arrive at one medical service for the armed forces and the Department of Pensions and National Health.

Bearing in mind what has been said to me about this, I felt I should like to get some information of a statistical nature to see whether it would prove or disprove the complaints I had received. With that in mind I placed some questions on the order paper, and they were dealt with to-day. My questions as they appeared on to-day's order paper were as follows:

1. What was the total number of patient-days in each of the hospitals under the direction of the Department of Pensions and National Health for the year 1939?

2. What was the total number of patient-days in each of the hospitals under the direction of the Department of Pensions and National Health for the year 1943?

3. What was the total number of medical personnel employed in each of the above hospitals for the year 1939, (a) full time; (b) part time?

4. What was the total number of medical personnel employed in each of the above hospitals for the year 1943, (a) full time; (b) part time?

Obviously my purpose in asking those questions was to try to find out what increase there had been in demands upon these hospitals, and then to find out what increase there had been in medical personnel to cope with these increased demands.

My question was passed as an order for return at three o'clock this afternoon, at which time the minister laid the return on the table. I am sorry it was not answered in the usual way, and the figures placed on *Hansard;* but perhaps I can overcome that by reading in tabulated form some of the outstanding figures in the return. The total number of patient-days for the years 1939 and 1943, respectively, in six of these hospitals, is as follows:

[Mr. Knowles.]

Hospital	Total patient-days, 1939	Total patient-days, 1943
Camp Hill, Halifax....	43,378	94,665
Lancaster, West Saint John	21,850	86,981
Christie Street, Toronto	145,073	315,204
Deer Lodge, Winnipeg..	53,894	97,232
Colonel Belcher, Calgary	33,247	70,654
Shaughnessy, Vancouver.	62,194	238,756

Hon. members who will look at these figures will see that they indicate a tremendous increase in the demands made upon these hospitals.

Over against that, the other figures for which I asked, and which have been supplied in the return, indicate the extent to which medical personnel has been increased to meet these demands. In answering the question the department has chosen arbitrary dates of September 30, 1939, and September 30, 1943, and the table contains the number of medical personnel employed at these hospitals on those arbitrary dates. In my opinion that was a justifiable way in which to answer the question. The table is broken down into part-time and full-time, but, to save time, I shall give only the totals. The following table, therefore, will show the total number of medical personnel employed in the six hospitals I have named for the years 1939 and 1943 respectively, as at September 30 in each year:

Hospital	Total medical personnel, Sept. 30, 1939	Total medical personnel, Sept. 30, 1943
Camp Hill, Halifax....	11	9
Lancaster, West Saint John	4	5
Christie Street, Toronto	31	40
Deer Lodge, Winnipeg..	14	19
Colonel Belcher, Calgary	11	14
Shaughnessy, Vancouver.	14	19

It will be noted that the only place at which there was a decrease is Camp Hill, Halifax.

I should like to go back and make a comment on those comparisons. At Camp Hill, Halifax, the total number of patient days in 1943 was more than twice what it was in 1939, but there was an actual decrease in the medical personnel. At Lancaster, West Saint John, the increase in patient days is fourfold, while the increase in doctors is from four to five. At Christie street hospital, Toronto, the increase is more than twofold in demand, while the increase in medical personnel is from thirty-one to forty. At Deer Lodge, Winnipeg, the increase in demand is almost twofold, while the increase in doctors is from fourteen to nineteen. At Colonel Belcher, Calgary, the increase is more than twofold in demand, while the increase in doctors is from eleven to

fourteen. At Shaughnessy, Vancouver, the increase is between three and fourfold in total number of patient days, while the increase in doctors is only from fourteen to nineteen. That seems to make it clear that all down the line there has not been a sufficient increase in medical personnel to take care of the increased patient requirements in these various hospitals.

Mr. MACKENZIE (Vancouver Centre): Would my hon. friend read the note appended to the return?

Mr. KNOWLES: I shall be glad to. If the minister would like it and the committee would consent, I would be glad to put the whole return on the record.

Mr. MACKENZIE (Vancouver Centre): I have no objection.

Mr. KNOWLES: The note which the minister has asked me to read and which appears at the bottom of the return is as follows:

> At many of these institutions, the department receives valuable assistance from medical personnel of the armed services who are posted for varying periods while awaiting disposal elsewhere.

I appreciate the significance of that statement, but it is difficult to do anything with it unless one has the actual figures. Even so, it brings to my mind the complaints that have been made to me to the effect that there is not sufficient care available for patients—I am speaking of Deer Lodge hospital about which I have been spoken to personally—such as the men of the armed services would like to see. As far as Winnipeg is concerned we have not anything like the complaint that the Toronto members have about their hospital. We are proud of ours, but we feel that there is tremendous room for improvement in the services to be made available to these men.

I have no desire to get under the minister's skin about it. I realize that he may be faced with a real problem in connection with this whole question of coordinating medical care throughout the country. I am fully aware that it is a tremendous problem. Also there is a problem facing anyone who tries to coordinate the medical services in the various armed services with the medical services of the Department of Pensions and National Health, but I think it is something that deserves and demands attention.

In connection with this table there is something else I should like to draw to the attention of the committee. I have divided the number of patient days in the six hospitals that I have referred to by 365 in order to obtain the average number of patients in each one of these hospitals on each day during 1943. The average daily figures are as follows:

Camp Hill, Halifax	259
Lancaster, West Saint John	238
Christie Street, Toronto	871
Deer Lodge, Winnipeg	266
Colonel Belcher, Calgary	193
Shaughnessy, Vancouver	654

While dealing in statistics I wish there were some way of showing how this works out with respect to the number of medical personnel available. The difficulty with which one is faced—this is partly due to the way in which I asked my question—is that the medical personnel in some instances are full-time, in other instances are part-time, and there is also the note to which the minister called attention to the effect that assistance of medical personnel from the armed services is frequently available. The minister may check me if he wishes on what I am about to say. But if one considers only the full-time medical personnel in each one of these hospitals to which I have referred, he is faced with the fact that a great amount of work would seem to devolve upon the shoulders of the full-time medical men. I notice there are two or three doctors in the chamber and they may comment on my figures. However, if you consider the full-time medical personnel only, you find that each doctor is taking care of the following number of patients in the different hospitals:

	Patients per doctor per day
Colonel Belcher, Calgary	32
Christie Street, Toronto	41
Deer Lodge, Winnipeg	44
Lancaster, West Saint John	79
Shaughnessy, Vancouver	81
Camp Hill, Halifax	86

I am not trying to distort the figures, and that is why I ask the committee to note that there are also part-time medical men who come into these hospitals as well as the medical men from the armed services. But the fact remains that there are these disparities in the number of patients for which a doctor is responsible in these different hospitals. I am not a medical man, but quite apart from the disparities it seems to me that the number of patients that these doctors have to care for per day is too high. I hope that something can be done about this matter.

I know that not long ago an interesting report was laid on the table as a result of an extensive survey by the medical procurement and assignment board. What worries me is that the report was simply laid on the table. I have not heard of anything being done about it. This question of medical personnel for patients in these hospitals as well as

medical services for the country as a whole is the concern of the minister who is before the committee just now, and I hope that he will give this matter further consideration. For the immediate present, if he cannot concern himself about the larger picture I hope that he will give consideration to the situation in the hospitals under his supervision in which veterans are patients at the present time.

Quite a number of representations have been made to me by the non-medical personnel employed in Deer Lodge hospital about grievances that exist. I realize that there is no argument over the fact that that should come under civil estimates, and I shall reserve my remarks until that time; but I am letting the minister know that I want to bring those grievances to his attention. I say all of this in the spirit which, as I suggested at the start of my remarks, has been characteristic of this debate, namely, that all of us in this committee without regard to party are keenly interested in the welfare of our veterans. When it comes to the matter of health and the care that they should have and the adequacy of their hospitalization, we are all extremely earnest and deeply concerned to see that the very best be done. It is in that spirit that I plead for consideration to be given to achieving the best possible efficiency in the hospitals that come under the supervision of the minister.

Mr. CHURCH: The minister's department is divided into two parts, pensions and national health. I wish to say a few words about the first branch, pensions. The soldiers overseas are very much worried and are wondering why Canada is doing so much for civilians at home, such as unemployment insurance, health insurance and many things like that. Shortly after the war broke out I proposed that a system of life insurance on all our soldiers be established. I proposed it as an economy measure. We all know how complex the Pension Act is, and that it has to be amended almost every session. I have much sympathy with the adminstrators of the act. I have had a great deal to do with the officers in charge of its administration both in the last war and in this war and in the long depression, and I have found that they did excellent work on the whole. True it is that they stick to the letter of the law, and it may be that some of the boards are a little too strict in their interpretations, so that in some cases justice is not done to the soldier.

In the last war Toronto established its own system of life insurance on soldiers who went overseas from that city. We insured each soldier for $1,000, so that he would be free of the worry about what would happen to his dependents if he should die on the battlefield. Shortly after this war broke out there was an article in *Canadian Insurance* monthly, describing Toronto's system of life insurance on soldiers in the last war. The United States adopted a national insurance system, and I proposed in this house in 1940 and again in 1941 that we should have a national system of life insurance on all our soldiers, to include provision for their dependents, both during and after the war, and to include, for three years after the war, provision for their insurance against unemployment and want, and free hospitalization.

As I say, the United States adopted a national system of life insurance for their soldiers in the last war, and that effected a very great economy in the administration of relief and pensions. Life insurance to-day is only in its infancy. What the soldier overseas is worried about is this. He goes overseas and he is thinking what is to happen to his wife and children or to his father and mother if he dies on the battlefield. It is a constant source of worry to him. I have received many letters in the last six months urging me to bring this matter again before the house, to substitute in part or in whole for the present pension system a national life insurance scheme paid for by the state. A lady wrote me to-day about it, and I will send her letter over to the minister. She is Mrs. Dobson, a Red Cross worker in a Muskoka town, and her suggestion is along the lines I proposed to the present Minister of Finance in 1940, that life insurance be provided for all our soldiers. I know a very fine surgeon in Toronto who in 1940 gave up his practice and enlisted. He had a large life insurance policy, but the company changed the policy so that if he were killed in battle his dependents would not collect a cent of life insurance, and the premiums were raised. His dependents would have to depend entirely on the Pension Act.

The lady who wrote me—and she is one of many—points out that we should have a national system of insurance for the dependents at home of those who die on the battlefield. She says:

> In many instances young sons, husbands and fathers have carried life insurance in civilian life, but these policies contain clauses which make them invalid in the event of insured being killed on active service.
>
> The pensions paid to mothers, widows and orphans are a mere pittance compared with living costs, as also is the cost of living bonus paid to dependents. I am sure you must be aware of the great hardships endured on account of insufficient living allowances. These factors also contribute to juvenile delinquency when a mother is compelled to go out to work to provide for her children.

In the first great war the United States government provided life insurance for her service men and I know it continues this practice during the present conflict. In the former case, I had a young friend who left ten thousand dollars to his aged father. Part of premium was taken care of by the United States government, the balance paid by the enlisted man. As to this war, I have a young friend serving in the United States navy who has taken out a policy for six thousand dollars payable to his mother. This too is provided by his government.

I have often wondered why our government has not provided similar protection—surely it cannot be lack of money, when so much is recklessly squandered for far less vital and humane projects.

It seems to me that when a young man gives up the right to protect his loved ones financially, it should be the duty of our government to care for them adequately in the event of his death. From many conversations I am sure that any service man would share fairly with his government the premium on a policy, deductible from his pay as is now done for victory bonds and war savings certificates, which he is expected to buy to help win the war, as well as do the actual fighting.

Unemployment insurance has brought millions of dollars to a fund to protect civilians in case of unemployment. Why not use some of these millions as insurance for our soldiers, sailors and airmen, who have given up the right, temporarily I hope, to contribute to this unemployment insurance fund.

Should consideration not be given to those who are ready to give their all to protect the rights and privileges of us at home, living in comfort and safety? Does an enlisted man not deserve the peace of mind that comes from knowing his loved ones will be looked after adequately?

I want to assure you that my interest in this matter is not of a personal nature. . . .

I know she is a worker for those who have enlisted. She is urging a government-sponsored life insurance scheme for service men, which is what I have been urging for many years. This is a different war from the last, and a changing war. The Minister of Finance has already accepted one proposal that I made to him in 1941 and 1942, for to-day he announced that Canadians crossing the border can now take $150 a year across in United States funds. In view of the magnitude of this war, I am sure that the more he looks into the proposal I am making that we establish a national system of life insurance for our soldiers, the more likely he is to be in favour of it. I hope that the minister will look into it.

Mr. GERSHAW: Mr. Chairman, since this debate has wandered far afield I hope the minister will bear with me for a few minutes while I bring to his attention the fact that a great tragedy befell the people of southern Alberta during the last few months. A preventable disease, typhoid fever, has affected about seventy people in that district. There was no doubt about the disease being typhoid. Clinical and blood tests established it beyond any question. All of the primary cases had one thing in common, namely, that they had all eaten of some cheese that was made at a special factory between February 5 and February 10. This factory has a good name. It is a cooperative institution. The manager was anxious to do all he could. But it seems that no Cheddar cheese or raw cheese in the whole of the dominion is pasteurized.

It is also a fact that in Canada there have been ten cheese-born epidemics of typhoid, and three of these have been in Alberta. This one was a particularly severe type of typhoid. The patients were very sick; there was about the usual ten per cent mortality; after recovery they will be left in a weakened position, more subject to tuberculosis, and there will be structural changes which will be permanent defects in their tissues. The money cost of this alone to the hospitals and to the patients will run over a million dollars. The long periods of illness have taken people who were needed in war activities, and deaths of people in the prime of life are something to which we cannot attach a value.

Typhoid very often spreads by carriers. There can be the incubation carried, the person who can spread typhoid germs around before he is taken seriously sick; there can be the convalescent carrier, who exudes them for three or four months after recovery; and then the chronic carrier, who for an indefinite period can spread typhoid germs and be a great menace to the district. The provincial health officers after careful and prolonged search, found a typhoid carrier who had been supplying milk to this particular cheese factory, and it was a long search; but undoubtedly the source of the infection came from this cheese.

How can people be protected from such a serious tragedy as an epidemic of this kind is? Inoculations have amply proved their value, but they protect a person only for a year, and they will not protect against massive infection. The pasteurization of cheese is not done in Canada; that is with the raw cheese; it is not processed like packaged cheeses; probably this is not feasible. There is one plan, and that is, by keeping the cheese for sixty or ninety days it becomes absolutely safe; and I want to make an appeal to the minister of health and to his officers to consider making a regulation which will protect people by having the cheese kept for the necessary period of time. If one province only did this they would be at a

commercial disadvantage; but if the whole of Canada did it, the cost would be a small item compared with the costs of such an epidemic.

Progress reported.

On motion of Mr. Ralston the house adjourned at 10.55 p.m.

Friday, May 19, 1944

The house met at three o'clock.

PRIVILEGE—MR. COLDWELL

REFERENCE TO REMARKS OF MR. REID IN DEBATE ON MAY 16

Mr. M. J. COLDWELL (Rosetown-Biggar): On Tuesday afternoon, at page 2952 of *Hansard*, the hon. member for New Westminster (Mr. Reid) made this statement:

I said that I had no direct proof about those three papers—

That is, the *Province*, the *News-Herald* and the *Sun*.

—but that I did have some proof about the Fraser valley. That is the record and the hon. member knows it. He endeavoured by reading the record to leave the inference that I had deliberately lied in the House of Commons.

I may say I did not do that.

He just cannot get away with that. He has got away with a lot, but he is not going to get away with anything of that kind as long as I have breath in my body.

That was a reflection upon me, Mr. Speaker. I now have a telegram from Coquitlam, British Columbia, addressed to myself, reading as follows:

Personal check-up with publishers shows no papers in Fraser valley federal constituency were threatened as Tom Reid suggests. Coquitlam *Herald*, Haney *Gazette*, Agassiz *Advance*, Mission *Record*, Chilliwack *Progress*, Abbotsford *News*. Use information as you desire.

That is signed by George W. Shelldrake, of Haney, British Columbia, who is on the staff of the Valley Press Publishers. The *News-Herald* in an editorial of May 15, 1944 states:

In that connection it should be said that at no time has this newspaper been officially approached by the C.C.F. party along the line indicated.

Mr. THOMAS REID (New Westminster): I have not one word to take back, Mr. Speaker. I stand by every word I said, and I do not propose to retract anything. I have confidence that those who have known me longest will realize and believe that what I said was true.

[Mr. Gershaw.]

[*Later:*]

Mr. THOMAS REID (New Westminster): Mr. Speaker, I rise to a question of privilege. When the house opened this afternoon the leader of the C.C.F. read a telegram he had received from Vancouver from a man named Shelldrake, who, I understand, signs himself as C.C.F. organizer for the Fraser Valley. I rise particularly on this occasion because I hold before me a copy of the Vancouver *News-Herald* of Saturday, May 13, in which this newspaper recites what I had said in the House of Commons; and here is the statement it makes:

The management of the *News-Herald* has not been officially approached on the subject by the C.C.F. party, but a number of subscribers who said they were adherents of the party have telephoned and stated they would cancel their subscriptions unless a more favourable attitude toward the C.C.F. party was adopted.

Mr. COLDWELL: Mr. Speaker, apparently this paper has written two articles.

Some hon. MEMBERS: Order.

Mr. COLDWELL: Just a moment; the article from which I quoted did not contain that.

Mr. MACKENZIE (Vancouver Centre): This is news.

Mr. REID: This is the *News-Herald*. This is one of the papers I mentioned, and this article substantiates the statement I made in the House of Commons.

Mr. COLDWELL: The only paper I had on Tuesday was the Vancouver *Province*.

Mr. REID: I hope you keep up the argument.

RAILWAY COMMITTEE

First report of standing committee on railways, canals and telegraph lines.—Mr. Dupuis.

ROYAL CANADIAN AIR FORCE

ANNOUNCEMENT OF DEATH OF SIX OFFICERS WHILE PRISONERS OF WAR IN GERMANY

Hon. L. S. ST. LAURENT (Acting Secretary of State for External Affairs): On behalf of the Secretary of State for External Affairs I wish to take this opportunity to inform the house with deep regret of a shocking incident involving the death of six officers of the Royal Canadian Air Force who were prisoners of war in Germany, at a camp near Dresden, Stalag Luft III. The following statement was made

in the British House of Commons this morning by the Secretary of State for Foreign Affairs, Mr. Eden.

I deeply regret to have to tell the house that his majesty's government have received information from the protecting power that forty-seven air force offices of the Royal Air Force and of the Royal Canadian, Australian, New Zealand and South African air forces have been shot by the Germans after a mass escape from Stalag Luft III.

According to the information given to a representative of the protecting power by the German authorities, in the course of a routine visit to this camp on the 17th April, seventy-six officers had escaped from Stalag Luft III on the 22nd March.

Of these seventy-six officers fifteen had been recaptured, fourteen were still at large and forty-seven had been shot, some whilst resisting arrest and some in the course of a new attempt to escape after capture.

His majesty's government are profoundly shocked at this news and have urgently requested the protecting power to demand from the German government a full and immediate report of the circumstances in which these men met their death and an explanation of its failure to report the facts at once to the protecting power.

The names of the officers shot were furnished to the representative of the protecting power on the occasion of his visit and the next of kin have been informed.

The house will wish me to express its deep sympathy with the relatives of these most gallant men.

That is the end of Mr. Eden's statement. There are some points I wish to add. First, the next of kin of the members of the Royal Canadian Air Force who thus met their deaths have been informed, and their names have been given to the press. Second, as soon as word was received in Ottawa the Canadian government joined in the urgent request to the protecting power mentioned in Mr. Eden's statement, that a full and immediate report of the circumstances be demanded from the German government, and an explantion of the failure to report the facts at once to the protecting power. Third, I am sure I shall be expressing the feeling of the Canadian government and of this house when I say that we too are profoundly shocked at this news and that we wish to extend our deep sympathy and regret to the relatives of the brave Canadians who lost their lives in these distressing circumstances.

Mr. GORDON GRAYDON (Leader of the Opposition): Mr. Speaker, I join with the minister in the words of sympathy he has uttered for the next of kin who have been aggrieved as he has announced to-day. It just shows the type of people we are fighting in this war. And more than that, may I say it shows, too, in bold contrast, the difference between the way the Germans have treated those prisoners and the way we have treated their prisoners over here.

WAR POLICY

MOTION, MR. POULIOT, FOR ADJOURNMENT UNDER STANDING ORDER 31

Mr. JEAN-FRANÇOIS POULIOT (Temiscouata): Mr. Speaker, I desire to move the adjournment of the house for the following reasons:

Whereas, the Prime Minister of Canada, in his address to members of both houses of parliament, at Westminster, on May 11, 1944, declared:

> Canada's war effort is a voluntary effort, . . . Our country has become increasingly proud of the fact that every fighting man from Canada serving across the seas, on the seas, and in the air is a volunteer. We can say, in very truth, that Canada's effort in this war is a voluntary effort.

Whereas, the Prime Minister of Canada, in an address delivered at Winnipeg on July 10, 1941, declared:

> What has already been attempted in the way of reviving that issue (of conscription) at this time makes only too clear the advantage that might have been taken of a lengthy absence on my part from Canada, to force the issue into the arena of party strife.
>
> How dire the consequences to our national unity this might have proved none can say.

Whereas, on April 27, 1944, two members of parliament asked for information on the orders of the day about the pressure to induce or coerce the personnel of various units to enlist for overseas service in the absence of the Prime Minister from Canada;

Whereas, the following day, a similar question was put by another member of parliament;

Whereas, in both instances the acting leader of the government did commit himself in his answer;

Whereas, according to a dispatch of the Canadian Press of April 27, 1944, Brigadier W. H. S. Macklin blamed the draftees who had not volunteered, and did not allow them to take part in a victory loan parade;

Whereas, the pressure and intimidation exercised by commanding officers at the Vernon, British Columbia, training centre to coerce the draftees to enlist for overseas service have been such that the city council of Quebec passed a resolution of protest, on May 12, in order that the voluntary policy expounded by the Prime Minister of Canada at Westminster should be carried on even during his absence from Canada;

I ask leave to move the adjournment of the house, under standing order 31, for the pur-

pose of discussing a definite matter of urgent public importance, namely, that the voluntary war policy of the government, as expounded and defined by the Prime Minister of Canada at Westminster, shall be carried on.

Mr. SPEAKER: The hon. member gave me a copy of the motion before I came to the house. I have not had sufficient time to look through *Hansard* to ascertain what may have happened in connection with this subject now brought before the house by the hon. member's motion. However, standing order 31 provides in subsection 6(c) that—

> The motion must not revive discussion on a matter which has been discussed in the same session.

I rely upon my memory as to what happened in that connection, and I have recollection of many occasions upon which this matter, now placed before the house by the hon. member, has been discussed by the house.

Subsection 6(d), as found at page 64 of Beauchesne's Third Edition, states:

> The motion must not anticipate a matter which has been previously appointed for consideration by the house, or with reference to which a notice of motion has been previously given and not withdrawn.

In the proceedings before the house there is on the order paper an order which has been the subject of discussion since March, namely, a resolution to introduce a measure to provide sums of money for the security, defence, peace, order and welfare of Canada. The subject now before us might well be discussed under that measure. My recollection is that it has been discussed in the house; but whether it has or has not, the fact remains that there is a resolution before the house which at a later stage will be transformed into a bill. The subject matter of the motion now made by the hon. member could well be discussed either on second reading of the bill which would follow that resolution, or in committee of the whole.

But my thought is that I should try to bring to the consciousness of the house the fact that a motion such as this does not seem to me to be covered at all by standing order 31. I would point out that that standing order provides for the discussion of a matter of "urgent public importance". This is what we find in paragraph 180 as it appears at page 78 of Beauchesne's Third Edition, respecting the practice in the British House of Commons:

> Standing order 10 of the United Kingdom House in force since 1882, also provides that a member may propose the adjournment of the house "for the purpose of discussing a matter of urgent public importance." On the 13th of April, 1894, a member asked leave to make that motion to discuss "the neglect of the government to take measures for the relief of agricultural depression during the present session." As forty members rose in support of the motion, debate was allowed, but on its conclusion, the Speaker said: "I do not think that, under the Standing Order of 1882, a motion on a subject of this kind, having such a very wide scope, was ever contemplated. What I think was contemplated, was an occurrence of some sudden emergency, either in home or in foreign affairs. But I do not think it was contemplated—if the house will allow me to state my views—that a question of very wide scope, which would demand legislation to deal with it in any effective manner, should be the subject of discussion on a motion for the adjournment of the house, because, if that was so, we might have repeated motions made by the opposition of the day, not so much in the direction of censoring the government for action which had been taken or not taken, for bringing to notice some grievance demanding instant remedy, as in the direction of wishing to introduce legislation on some particular subject. That is not the purpose of the Standing Order of 1882, and would, I think, cut at the root of the order."

In my view the purpose of our standing order 31 is not that contained in the proposals offered in the hon. member's motion. For that reason I rule it is not of sufficient public importance to justify the adjournment of the house.

LABOUR CONDITIONS

PEDLAR PLANT, OSHAWA—MOSQUITO PLANE PRODUCTION

On the orders of the day:

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, I should like to direct a question to the Minister of Munitions and Supply. Has the minister received a letter dated May 16 from the united steel workers of America at Oshawa, Ontario, asking that he reconsider his proposed transfer of the shell case contract from the Pedlar plant at Oshawa to a Montreal firm? If so, will the minister tell the house what decision, if any, he has made? In the event the minister proceeds with his transfer proposals, will he tell the house why? Will the minister also tell the house what precautions he is taking to safeguard the interests of the nearly 400 employees who stand to lose their jobs, their seniority, their homes and the advantages which they have gained through specialized training for particular kinds of work?

Hon. C. D. HOWE (Minister of Munitions and Supply): Mr. Speaker, the hon. member was good enough to give me notice of his question. The situation at the Pedlar plant at Oshawa is that the plant is one of three holding contracts for the manufacture of 40-millimetre cartridge cases. A reduction in the demand for that type of cartridge case has

occurred, and the ordinary practice is to curtail production at the point of the greatest labour shortage, which happens to be Oshawa.

There is a tremendous demand in that city for man-power for the Mosquito programme, which is the highest priority programme we have on hand at the moment. The Oshawa plant is not being closed, but its work is being curtailed. The men who will not be required are being transferred to the Mosquito programme in the same city. Sufficient work is left in the Pedlar plant to take care of all those workmen who do not come up to the high physical standards required in the Mosquito programme. The result is that no labour will be displaced, as far as residence is concerned, and no hardship will be suffered.

The men who will be transferred will be the more recent employees of the Pedlar plant and they will receive work at somewhat higher wages than those obtaining in the Pedlar plant. I think this answers the question. There is no transfer of any contract from Oshawa to Montreal. The interests of the employees are being completely safeguarded.

SELECTIVE SERVICE

POSTPONEMENT OF CALL-UP OF FARMERS

On the orders of the day:

Mrs. DORISE W. NIELSEN (North Battleford): Mr. Speaker, I should like to address a question to the Minister of National Defence which is of urgent importance to the farmers of Saskatchewan. A number of farmers are receiving call-up notices to go to Regina for their medical examinations. This, of course, is quite in order. A number of these farmers will automatically receive exemptions because of their farm work, but due to the poor train service many of these men will have to spend five or six or more days away from home in order to go to Regina. At this time of year when seeding is in full progress this will cause severe hardship. Would it be possible to have the call-up of farmers in Saskatchewan postponed for two or three weeks until seeding is over? These young farmers would be able to complete their seeding operations by that time.

Hon. J. L. RALSTON (Minister of National Defence): That is really a matter for my colleague, the Minister of Labour, to deal with as it comes under national selective service. Those men are not in the army.

Mrs. NIELSEN: Would the Minister of Labour please give me a reply?

Hon. HUMPHREY MITCHELL (Minister of Labour): I have been in the city only a few minutes—I have just got off a train—but I shall be glad to look into the question raised by my hon. friend and anything we can do will be done.

Mr. DUPUIS: I should like to ask that the request made by the hon. member for North Battleford be applied to other provinces so far as farmer appeals are concerned.

Mr. LACOMBE: Following the question asked by the hon. member for North Battleford, I should like to direct a question to the Minister of Labour. Will he permit a postponement of two or three weeks in the call-up notices for medical examination of young farmers in all parts of Canada?

Mr. MITCHELL: I endeavoured to answer the question raised by the hon. member for North Battleford. As I say, I shall look into it and if anything can be done it will be done.

VICTORIA DAY

QUESTION AS TO OBSERVANCE AS PUBLIC HOLIDAY

On the orders of the day:

Mr. T. L. CHURCH (Broadview): Mr. Speaker, nearly all the municipalities in Ontario have declared May 24, Victoria day, to be a holiday. The general holiday act says that May 24 and Dominion day are public holidays. Nearly all the mayors in Ontario have issued proclamations that it is to be a holiday. Yesterday in Quebec the courts decided that Victoria day is a public holiday notwithstanding the order in council which was passed. I notice the Secretary of State is momentarily out of the chamber. I suggest that he take this as a notice of question—what is the status of public holidays—and clear up the matter later.

EMPIRE DAY

SUGGESTED OBSERVANCE BY REFERENCES TO WAR EFFORT OF THE DOMINIONS

On the orders of the day:

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I should like to ask the Acting Prime Minister a short question which can be considered over the week-end. Next Tuesday, the day before Victoria day, is known as Empire day in the dominion. It is celebrated in all the schools of all the provinces. My suggestion is that next Tuesday the leaders pause and take a few moments to say what they might want to say regarding the spirit of Empire day and the future empire and what the dominions have done in the war, especially in view of the conference in London which closed yesterday.

Hon. J. L. RALSTON (Acting Prime Minister): I shall make a note of what my hon. friend has said and take it into consideration. May I say that my hon. friend sent his question to me. I have not the slightest reluctance in connection with a matter of this kind, but I say to him, and I think the house will agree, that I think we can make the best contribution to the empire and the commonwealth by getting on just as fast as possible with the business of the house. I think none of us would want to take too much time off to offer what might be regarded in some quarters as lip-service, even though it would be most sincere, in view of the job that is necessary to be done in order to carry on the war.

Mr. CHURCH: A little education on what the empire is and means is badly needed right in war time in this house.

WAR APPROPRIATION BILL

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

The house resumed from Thursday, May 18, consideration in committee of a resolution to grant to His Majesty certain sums of money for the carrying out of measures consequent upon the existence of a state of war—Mr. Ilsley—Mr. Bradette in the chair.

PENSIONS AND NATIONAL HEALTH

Pensions branch—

Treatment and pension examinations—members and ex-members of the armed forces (present war), $9,000,000.

Mr. FAIR: Mr. Chairman, questions affecting the Department of Pensions and National Health are the most important we have to consider at the present time outside of winning the war. Our men and women who are over there doing the fighting must be taken care of after they come back, and I feel that this house and Canadians as a whole will be neglecting their duty if adequate provision is not made for them.

A number of vitally important questions have been discussed in this debate, and it is not my intention to go into them in detail to-day because I think the minister realizes how important they are. I shall take just a few moments to add my words in support of those that were spoken yesterday on behalf of the members of our armed forces.

One of the points I wish to emphasize has to do with preenlistment conditions. We find that a number of men who are discharged from the services are not fairly dealt with because of their categorization upon discharge. When a man goes into the army and undergoes all the examinations he has to have before he can get very far in the service, and then is discharged and put in a lower category, the government of this country should be responsible for taking care of him.

Another question that was brought up yesterday and is deserving of consideration is the setting up of health centres for restoring to health the men when returning from overseas. It has been pointed out that in eastern, central and western Canada we have those health centres. I want to say a few words here for the prairie provinces. I think most of the members realize that we have an invigorating climate in the prairie provinces that does wonders for the health of those who have been accustomed to living there, and I would urge upon the minister that he see to it that a health centre is established in at least one of the three prairie provinces.

The removal of the insurance principle from the Pension Act in 1940 is doing a grave injustice. I would strongly urge that that principle be reinstated, and, further, that it be made retroactive to the time it was taken out of the act—because, as was pointed out yesterday and has been repeatedly pointed out on different occasions, grave injustices have been done to the men, their wives and families, because of the removal of this protection. The only reason I can see for ever taking that clause out of the act was to save money to the treasury. It has been demonstrated that we have plenty of money with which to recruit these men, to train and equip them, to feed and transport them to and from the war area, and I cannot see any valid reason why adequate pensions should not be provided for them when they return. On more than one occasion since the war broke out the Prime Minister and the Minister of Finance have expropriated, if I may use that word, one of the slogans of the social crediters and told us that what is physically possible must be made financially possible. I contend that Canada can provide adequate pensions for her returned men, and if it is physically possible to do that, it is financially possible. There is another slogan: Give us the tools and we will finish the job. I think we have all the tools and all the requirements necessary to provide the things that are needed for our returned men. Let us see that the job is finished in proper fashion.

Mrs. CASSELMAN: Mr. Chairman, the estimates before us are of the utmost importance to the men and women in our armed forces, and through them to all of us in Canada. We have legislation that is broad

in its scope and splendid in its application, although there are criticisms made in which I join; nevertheless the legislation stands as very broad in its scope. But no legislation alone, no matter how good, can give to our veterans that respected place in the life of our country which we feel is their due and which we so earnestly desire that they should have. To attain that place there are two things that are beyond the reach of legislation. There must be, first, an understanding appreciation from us who remain at home, especially from those in the veteran's own family circle. That is where women have a job which no one else can do, and which no legislation can achieve.

Secondly, much depends upon the veteran's own adaptability in taking advantage of the opportunities offered to him in fitting himself again into the life of the community and of the nation. Neither of these conditions is easy to fulfil.

The soldiers, many of them, left as boys. They come back as men. Without war, their outlook would have changed during these years from adolencence to manhood. With war, they have still more far-reaching problems of readjustment, both mental and emotional. Let us never forget when dealing with individual cases that these men are fundamentally sound in their approach to life, but may need time in which to regain their civilian equilibrium. The girls they left behind them are women now and are taking a very real part in Canada's war effort, some in uniform, many in industry or on the farm, and some just continuing that tremendously important work of looking after the homes and the children. They, too, have a different outlook. It seems to me that we need all the patience we have and all the tolerance and understanding possible in making adjustments in our homes and on a national scale. I repeat that the men and women are fundamentally sound. The more quickly the returned men come back into the stream of ordinary everyday activities, of their own volition—and individually that may take a little time—the more quickly will the invisible scars of battle be healed. We honour them, men and women, and they know that we honour them. We, who are the thousands of individual citizens, must do our part to give every opportunity for readjustment. Now that, Mr. Chairman, is beyond legislation. But there is much that is within the scope of legislation. That is why I find the broad lines for reestablishment so satisfactory. Oh, I know that there are places where changes are needed. Members from all sides of the house have given advice along these lines and the minister knows how untiringly I have taken up individual cases as well as policies with him and the members of his department. These matters are under review. Some have already been corrected, and consideration will be given to others.

But the training facilities, educational and vocational, are the best forms of reestablishment that can be given. Here is provision for the student, the artisan, the skilled worker, the labourer, the farmer, to master the tools of his trade. He will be put in a good position to carry on through the coming years and to catch up, as much as possible, with developments. I shall not take time to review all the opportunities offered. There seems to be something for almost every case.

I am particularly gratified that we have extended the principle of allowances paid for wives and children into the post-war period. Regular service dependents' living allowances are made during the training period, whether educational or vocational training is taken, and allowances are paid during the time that returns are awaited. This is of tremendous significance. It fits the income more directly to the need. It breaks down some of the resistance or disinclination to going back to school. That will not be easy, you know. It recognizes the contribution made by women and children to the war effort and to the life of the nation. That same right to allowances applies if a veteran needs hospitalization for war wounds in later years. The policy is of great importance in our progress towards raising the standard of living.

Right now may I pay tribute to the women who have taken on unusual responsibilities outside of their homes and whose work was praised by the Minister of Labour last week; also to the home makers whose work has remained much the same in raising their families and in making life happy for their men folk. Sir William Beveridge has said this:

> In any measure of social policy in which regard is had to facts, the great majority of married women must be regarded as occupied on work which is vital though unpaid, without which their husbands could not do their paid work, and without which the nation could not continue.

Homemakers take part just as much as office and professional workers in the life of the community. Their horizon is not limited. They are interested in public affairs. The walls of a house do not confine the mind. We claim the right to be full partners in a free country. What affects the men affects in almost equal measure the women.

The lines of Canadian policy were laid down early in the war, were altered and

improved upon, and will be still further improved upon as the weeks go by. It is interesting to note that the United States congress is now debating some of the plans which were settled policy with us some time ago. For instance, I have here a cutting from a Philadelphia paper which contains this paragraph, under dateline Washington, May 7, 1944:

> Topping the house programme is the "G.I. Bill of Rights", passed by the senate before the Easter recess and rewritten by the house veterans committee. Debate starting Thursday is expected to centre on proposals for unemployment compensation and educational benefits for discharged men and women.

These are things we already have in Canada.

> The senate voted for 52 weeks of unemployment pay at rates varying with family status from $15 to $25; the house committee cut this to 26 weeks and set a flat compensation of $20. The committee also rewrote the education provision and in doing so drew the fire of educational leaders who assailed the action as a menace to educational freedom.

Thus they are taking up a line which already is our settled policy. The lines of our policy are the lines recommended at the International Labour Organization conference in Philadelphia, which I had the privilege of attending this month. This twenty-sixth session of the I.L.O. will go down in history as one of the most important discussions ever to be undertaken, by delegations from forty-one countries, representing government, employers' and workers' groups. In the historic city of Philadelphia, where the Bill of Rights was written for the American nation and where the first United States Congress held its meetings from 1780 to 1790, was written a new Philadelphia bill of rights for international justice and prosperity.

One of the ten committees there dealt with reestablishment of veterans. I am glad to say that the Canadian delegation was in agreement with almost every part of that policy. It was stated very much on the lines of our own established policy. It asked for training. It emphasized that the best reestablishment policy is the one which puts the returned man in a position to hold his own in civilian life, with training and retraining, and pay and allowances to provide for that period.

As you know, there were three groups of delegates from each country participating—government, employers and workers. Each expressed the greatest determination and anxiety to see fair play for the returned men. Sometimes they differed as to the means to be used, but the objective was the same. I wish you might have heard Mr. Tomlinson, head of the government delegation from the United Kingdom and joint parliamentary secretary of the British ministry of labour and national service, tell what is being done there for amputation cases, for example. He said that no man need fear that he would not be given all the care humanly possible and the appliances to fit him for work again. He himself had seen men who had lost both hands and both legs, taking their part in rehabilitation exercises. I wish our minister would take the time to tell us what Canada is doing along that line. When it was suggested that a clause be deleted from the recommendations which asked that a quota of amputation cases be included in factory payrolls, it was an employer who spoke for his group and asked that the clause be left there. He said employers were anxious to give all cooperation to reestablish those disabled, that the best ones would anyway, and that by such a provision the careless employers would realize their obligation.

We are glad that at Edmonton the military hospital facilities have been extended. We are also pleased that government house may be taken over as a convalescent home. I hope the minister will tell us something more of the progress which has been made there and as to what is contemplated in the near future.

We have heard many criticisms of the policy that Canada is following, and we do want some alterations. When I was home at Easter I met with ex-servicemen, and we discussed complaints. There were many. I am taking them up with the department. They told me also that they had written to express their opinion to Mr. Woods. I have here a copy of a letter which was sent to Mr. Woods, and as that letter is in direct opposition to some of the things I have heard I would like to read it to you:

> 616 McLeod Building,
> Edmonton, Alberta,
> March 31, 1944.
>
> Walter S. Woods, Esq.,
> Associate Deputy Minister,
> Department of Pensions and
> National Health,
> Ottawa, Canada.
>
> Dear Mr. Woods:
>
> At the weekly meeting of this committee held on the 29th instant Mr. W. R. McLaren, welfare officer here, attended our meeting and gave our committee a most informative and interesting account of the procedure laid down by your department upon general demobilization of the armed forces and particularly regarding casualties; also as to rehabilitation.
>
> At the close of this discussion our committee unanimously resolved that this letter should be written to you expressing the appreciation of our committee as to the apparent care and trouble which has been taken by your department regarding this procedure and also to say

that the committee realizes that your department is keeping a very open mind to suggestions regarding discharge and rehabilitation.

With kindest personal regards, I am

Yours sincerely,

S. C. S. Kerr,
Chairman,
Edmonton Ex-Service Men's
Rehabilitation Committee.

That committee has on it representatives of the Amputations Association, Army and Navy Veterans Association, British Imperial Comrades, Canadian Corps Association, Canadian Legion B.E.S.L. No. 24, Canadian Legion B.E.S.L. No. 27, the Red Chevron club, and also representatives of the central committee of the women's auxiliaries in Edmonton. It is therefore, as you see, a comprehensive body.

Here is another little extract, from the Edmonton *Journal*, April 15, 1944, which I should read. It deals with an address given in Vermilion and is as follows:

Says Canada's War Pension Plan Best

Vermilion.—War pension system in Canada is regarded by S. C. Heckbert, provincial president of the Canadian Legion, as the "best in the world". He said so at a dinner meeting of the Legion branch here this week in celebration of Vimy, with more than 100 ex-servicemen, their wives, and members of the ladies' auxiliary present.

Recent legislation by the dominion parliament, said Mr. Heckbert, has facilitated rehabilitation of servicemen and had provided in some measure for the education of those who had dropped their own educational plans or civilian work to enlist for the war. He pointed out, however, that citizens in general have direct responsibility in facing post-war problems.

We are faced with a good many problems—new problems, such as were mentioned by the Minister of Justice this afternoon, pressing problems arising out of casualties overseas, the absence of the men overseas, and all these different things. But I was impressed at Philadelphia with how much greater problems the occupied nations face than we do. The depth and magnitude of the problems confronting these people are far beyond ours. They have our difficulties, and many more peculiar to themselves—armed enemy forces in their own country, all these atrocities and other terrible episodes of which we read. In talking, for instance, to one of the members of the delegation from Luxembourg he said, speaking of conditions in his own country, that Luxembourg has been incorporated into the German state, and that their men were being conscripted and sent to fight on the Russian front; that hundreds of their men had fallen already, fighting side by side with the Germans against the Russians. It seems to me that that is about the bitterest touch of all—to have to fight with your enemies against your friends. We do not have to face such problems, thanks to the magnificent stand made in our behalf as well as theirs by our allies, and thanks also to the courage, the endurance and the heroism of our own men. We must see to it that we do all we can in the way of rehabilitation and reestablishment and carry on the policy with vigour and with understanding.

Mr. HAZEN: A number of new and valuable suggestions in the interests of the members of our armed forces have been made during the discussion of this item by several members of the committee. I was particularly impressed by the suggestion made by the member for Vancouver South that our Pension Act be amended to include a provision similar to that contained in the British regulations, which provide, first, that it shall be presumed that a man's condition as recorded on his admission to the service was in fact his condition at that time, and second that it shall be presumed that any deterioration in a man's condition after his admission is due to his service.

These presumptions would of course be presumptions of evidence and would be rebuttable; but in my opinion they would make for justice and fair play. It happens too often that a man who is admitted to the armed services and who passes his physical and medical examinations and is qualified as A-1, on applying for pension is informed that he is suffering from a preenlistment disability, or a preenlistment ailment. Such a finding hardly makes sense, and it is a reflection, it seems to me, on the army doctors who made the examinations when he was admitted into the service.

I was interested recently in a case in which a man who had been classified as A-1 afterwards contracted a disease and applied for pension. When he went before the board he was informed that his ailment was of preenlistment origin. He went before a second board and that board said that his ailment was not of preenlistment origin but had developed during his service, though not in the course of his duty. He then went before the appeal court and they granted him a pension. If our act contained a provision similar to the British regulations I do not think that inconsistent findings of this kind would have been made. An amendment such as is proposed would clarify the procedure. It would help the board to carry on its work and make its findings and would assist members of the armed forces, who are obliged to apply for pensions, to obtain those pensions when they

are entitled to them. I would urge upon the minister that he accept the suggestion of the member for Vancouver South and recommend that this provision of the British regulations be inserted in our Pension Act.

Mr. NOSEWORTHY: At the risk of tiring the committee by repeating what has already been said, I wish to refer for a few moments again to Christie street hospital. I do so because that institution is of vital importance to a large number of my constituents, those who returned from the last war and families of those who are serving in this one.

Yesterday a minor attempt was made in the house to determine which of the two older political parties was responsible for Christie street hospital being where and what it is. I submit that it is no longer a question of party responsibility and that nothing can be gained by attempting to assign that responsibility to one party or the other. The fact is that that hospital to-day, notwithstanding all the improvement that has been introduced, notwithstanding the excellent quality of help and the calibre and ability of the medical men who are serving there, remains a disgrace to this government and to every former government that has had any part in maintaining it where it is. The choice of the hospital in the first place and the continuance of it now, as well as the attempt to make it apparently a permanent hospital, does no credit to any government or to any political party. In my opinion it shows a callous disregard of the welfare of the personnel of our armed forces who are unfortunate enough to require hospital treatment.

No amount of money, no amount of improvement, no amount of devotion on the part of the employees, no amount of skill on the part of the doctors, can ever make that hospital a satisfactory one for the returned men so long as it remains where it is to-day. The only way in which it can be made satisfactory, standing where it does, would be by the introduction of an enormous clearance scheme which would move the main line of the Canadian Pacific Railway tracks, which would move the steel yard situated right across the road, and which would move the factories situated within a few feet of the hospital.

Mr. MacNICOL: And still there would not be a park at hand.

Mr. NOSEWORTHY: Unless homes and other buildings were demolished and parks created there would be no park space for the patients in the hospital. As has already been stated, the hospital is situated on a factory site. As a matter of fact, the old original hospital was I believe a biscuit factory at the time it was taken over. It is situated seventy-five feet from the right of way of a through freight line of the Canadian Pacific. It is situated beside a number of sidings and switches, and it is immediately across the street from steel yards where cranes and donkey engines are operating all day long, and all night long as well, with the aid of searchlights.

The wards are overlooked on two sides by a factory and a warehouse and on a third by this steel yard. The building, originally a factory building, is a fire trap. Any visitor to the hospital can discover that wooden floors were originally laid on the steel beams. As other members have pointed out, there is much in the building that is easily destructible by fire. Because of the noise, the sickest and most helpless patients are usually located on the top storey of the building, and if there were ever a fire in that building considerable difficulty would be experienced in getting many of these helpless patients down from the top floor.

I cannot understand, nor can anyone who has any connection with that hospital understand, why that building was ever retained as a military hospital. I am confident that the public served by it, both military and civilian, would have supported the government wholeheartedly if it had demolished the building and used the funds that have been expended from time to time to extend and improve it to build another hospital in a more suitable place. Of course the minister has given us various explanations from time to time for not having followed that procedure. Once he blamed it on the difficulty of getting building material, a matter which he said was not under the control of the Canadian government alone but which concerned the United States government as well. I do not believe anyone in this country will accept that as a reasonable excuse for not having taken steps to provide new hospital accommodation early in this war, when the government must have known that large numbers of men would be brought back here for treatment. I say this because I do not think we can blame the United States people, the United States government or anyone other than our own government.

The contrast between the situation in the United States and the situation in regard to Christie Street hospital is very clearly brought out by an excerpt from the "Journal of the American Medical Association" dated October 30, 1943, and an excerpt from the Toronto

Telegram dated December 14, 1943, both reprinted in the *News* of December 18, 1943. The quotation from the United States publication is as follows:

The Schick general hospital, formally opened on October 7, is located three miles north of Clinton, Iowa. It has a capacity of 1,514 beds and 103 separate structures. The grounds consist of 89·6 acres of land. There are a chapel, laundry, post exchange, post office, ambulance service, recreational facilities and air conditioned operating rooms. Prior to the formal opening there were 2,687 patients admitted, of whom 674 were operated on. The first patient was admitted on February 15, 1943. . . . On the day of the opening there were 1,175 patients in the hospital, representing every overseas theatre of operation. The allotment of nurses is 120 and of enlisted men 512. These men are being trained as operating room, X-ray and laboratory technicians, as well as ward attendants. The project represents an investment of more than $6,000,000.

That is a report on the treatment given United States soldiers by the government of that country, fourteen months after the United States entered the war. The article reprinted from the *Telegram* is as follows:

Instructions have been received from Doctor R. E. Wodehouse, deputy minister of pensions and national health, ordering the whole administration staff of Christie Street hospital, numbering 165, to find other quarters at the earliest possible date, so that the hospital ground floor can be made ready for casualties returning from Sicily and Italy.

The ground floor will accommodate 140 beds, and 200 others will be placed in one-storey huts to be erected on the hospital grounds immediately.

That was four years and three months after Canada went to war. I trust that when he speaks the minister will give us an account of just what is being done at Christie street hospital to-day. Apparently it is the intention of the government to retain this hospital as a permanent institution. That is regrettable, and I am sure is not the wish of the public who are served by the hospital. I trust that the minister will tell us also what progress has been made with the new hospital that is to be built at Sunnybrook. Reference has been made already to the delay in this connection. Possibly the minister will be able to give us some good news; perhaps plans have progressed much further than would be indicated by a visit to the proposed site of the hospital. Certainly we should be pleased to hear that steps are being taken to facilitate the construction of this new institution.

I support the suggestion already made that it is time the Pension Act and the regulations under it were brought before this parliament for examination and discussion. I am confident that every hon. member of this house will agree that improvements being made now, including some which were made in the order in council brought down last week, in fairnesss to the men who served in the last war should have been made twenty years ago. I am confident that if the regulations under that act came into this house for discussion, and hon. members were free to vote as they wished, some of those regulations would be changed. I am confident there are regulations in effect to-day which would not receive the support of a majority of hon. members of this house if they could be discussed in this chamber without hon. gentlemen opposite being required to support the government.

I have brought many cases to the attention of the minister, and I want to compliment him and his officials on the way they have been dealt with. In the three sessions I have been in this house every case I have brought before the minister or any official of his department has been given prompt attention. I have found them ready at all times to investigate cases, and in every instance where regulations permitted, some relief has been provided. I am satisfied that those who are responsible for administering the act go just as far as they possibly can, under existing regulations, to relieve injustices that exist.

But the point is that there are still regulations which in many individual cases result in injustice. I am sure there is not a member of the house who has not secured for one or more great war veteran an alleviation of difficulties under which he or they may have been suffering, by bringing such cases to the attention of the minister or his department. That is good; but there must be vast numbers of people whose cases are not brought before the minister or his department. I suggest it should not be necessary for great war veterans or present war veterans to have to bring their cases to the attention of members of parliament to have injustices ironed out. The machinery of the government, and of this department in particular, should be such that, not all, probably, but a great number of such cases should be handled automatically.

In this connection I wish to cite one example. A young airman, after serving 210 days, was discharged while still in hospital. Under the regulations his wife and family were allowed dependents' allowance for 210 days. Incidentally he remained in hospital for that period, and is still there. When the 210 days expired about the middle of March the allowance was cut off. The wife and two children have had no income from that time. He was cared for in the hospital. Apparently the pension board had that case under review, since the man was discharged and turned over to the Department of Pensions and National Health. On Tuesday morning of this week I received a letter in reply to one I had written the minister in which I had called his atten-

tion to this case. His letter informed me that there was nothing the department could do for the airman in question. The regulations do not permit the granting of any allowance after the expiration of the 210 days. It was pointed out that the case was before the pension board, and that until that board reached a decision nothing could be done. I then telephoned other officials, and learned that the pension board was meeting that afternoon. Those to whom I spoke were good enough to assure me that the case in question would come before the board. The next morning I received word that after reviewing the case the board had granted the wife an allowance of $68 a month. The case is settled satisfactorily.

Mr. MACKENZIE (Vancouver Centre): That would be under section 11 (3), would it not?

Mr. NOSEWORTHY: I believe that in time the pension board would have reviewed this case. The point is, however, that this was a man who had been discharged for nearly nine months, during the last two months of which his wife and children had received no support by way of allowances. My criticism is that that sort of thing should not be possible. There should be machinery to take care of situations of the kind. I am not taking credit for securing an adjustment in the instance to which I have referred. I have no doubt the pension board would have reviewed the case at its meeting on Tuesday afternoon. Probably it was on the agenda, and would have been dealt with. But the point is that it had stood for six months without adjustment, and apparently such adjustment did not take long, once the matter was placed before the board.

Then, there are other regulations in addition to those dealing with the granting of allowances for the length of time a man has served. There is the deduction made from allowances when a veteran is in hospital—and I presume this will apply to men in the present war. Because the hospitalization charges are high, and the government incurs considerable expense on that account, when the veteran is discharged he finds that his veteran's allowance is reduced, and several months must elapse before he catches up in his account. It seems to me the cost of hospitalization should not be calculated as a part of a man's income, under the veterans' allowance legislation.

Then, of course, there are questions connected with the ceiling on earnings. I am confident that if some of those regulations came before the house they would be revised. I do not think there is a member representing any constituency who would want to stand by some of the regulations.

Reference has already been made to pre-enlistment difficulties. I have said before, and I now repeat, that I think it is about time we accepted, for pension purposes, the medical status granted a man upon enlistment. If the doctors who examine him for the army are not able to locate those difficulties, then surely it is their fault and not that of the soldier. We must consider this whole question of taking care of the men and women who serve in the forces, and must accept the necessary expenditure as a part of the cost of war. We are not niggardly or parsimonious when it comes to buying tanks, ships, aeroplanes or any other type of equipment needed to carry on the war. But the human wreckage caused by the war is just as much a part of the cost as is the equipment used in the prosecution of the war. I believe we must take that attitude. Certainly it is to be hoped that no one returning from this war will be required over the years to suffer the injustices that thousands of those who returned from the last war have suffered.

Mr. CHURCH: For a few minutes this afternoon I should like to call the minister's attention to the hospital situation in Toronto. In doing so I do not offer any criticism of the minister, because, having seen him at Christie Street hospital last November 11, Armistice day, I believe I understand his feelings in the matter.

Several returns have been made respecting the situation at Christie street hospital. During the last war I was chairman of the hospital commission which had as members the late Thomas Bradshaw and the late Doctor Hastings, that great health officer. This commission sat during the last war and for four years following. At that time the same situation existed as exists in this war. At the present time there is a scarcity of hospital accommodation all over the north American continent. I do not know where a civilian in Toronto would go to get hospital accommodation; he might die for the lack of it at the present time.

I do not want to refer to the past, because the past is gone and there is no use crying over it. During the last war I criticized the hospital accommodation provided by the government which I supported, as well as by the present government. War conditions and lack of foresight are largely to blame for the

existing hospital accommodation situation in Canada. A great many mistakes have been made in connection with the treatment of soldiers. During the last war we had the flu epidemic. I remember one young man who was secretary to Sir George Bury, vice president of the Canadian Pacific. He went down to the Jesse Ketchum school for a couple of days, where they had the manning pool to enlist, and then he was moved out to a camp. He arrived on a Monday and he was dead in ten days because of the terrible flu epidemic. He was only one of many hundreds who suffered. As a result of this they looked over the Toronto district for hospital sites. One on the lake shore road was considered, where the present Goodyear tire plant is built, but it was found to be too far out. There was no Hamilton highway at that time and the city did not own the street railway or the radial line, and doctors were then only on part time. Then the plant of the Canadian Kodak building was chosen as the site of the present Christie street hospital. It was surrounded by other factories. I represented that district in three parliaments and the hon. member for Trinity (Mr. Roebuck) and the hon. member for Davenport (Mr. MacNicol), who has done a great deal for the soldiers in that district, know the district quite well. It was decided to use that site as temporary accommodation. There was also the old base hospital closed up and vacant on Gerrard street, the old Toronto General. Some doctor members may recall that when they were students at the university. But that was not considered fit for civilians, so that I do not see why it should have been considered for soldiers. It was used temporarily and then it was decided to go on with Christie Street. That decision was opposed by the city officials and the hospital commission, but we could not do anything about it.

In two wars the city of Toronto has been very generous to the government in turning over property free of charge, and so have the school board and the university of Toronto. There is no university in Canada that has turned over more property than the university of Toronto. But the same situation still exists. I saw a train come in the other day and I saw a number of wounded men who had come back from Italy and other places. I do not know what the minister is going to do to provide accommodation for all these people.

Two or three returns have been made about Christie Street hospital. I suggest to the minister that he make a monthly statement as soon as possible about the progress of Sunnybrook hospital. He has made two or three statements which were very good as far as they went. I know that hospitals are not built in a day, or in a night either. It takes weeks and years to build them. As a constructive suggestion to the government I suggest that they consider erecting some temporary buildings along the waterfront in Toronto, or in the parks or exhibition grounds, as an emergency plan until the new hospital is ready. There are other buildings at the exhibition grounds, the Stanley barracks, for instance. I passed by Stanley barracks the other day and saw a building nearly twice the size of this chamber being used as a dining room for officers in that district. I am not criticizing that at all; no doubt it is needed. The horticultural building near the fountain at the exhibition grounds is a beautiful building. The 74th and 75th battalions were housed in this building during the last war and I believe it could be temporarily converted for hospital use at very small cost.

There are a number of private schools in Toronto. In the last war they took one of these schools, St. Andrew's college in Rosedale, and made it over into a hospital. Then there is the old lacrosse grounds which was carried on something like the M.A.A. in Montreal. There are a number of properties like that which the city no doubt would be willing to give to the government. I do not know about those in Rosedale, but I know the city is ready to help in providing urgent accommodation.

Since last session the government have acquired a number of properties. There is one now acquired at Scarborough, seven miles east of the Woodbine. This is a fine property on the lake front. Then there are properties on the island; the old sick children's hospital used to used. Any number of these places could be converted and could be used for at least four or five summer months in the year, if not longer, for convalescent homes. As I say, there are sites along the harbour and lake front upon which the government has spent some money and upon which the city spent on harbour development $25,000,000 or $30,000,000. There is plenty of land available, and with the equipment and construction branches the department and the army, navy and air force have, these temporary buildings could be made very comfortable until the larger policy of modern hospitals is carried out. The Toronto East general hospital was started as a city hospital by the late Doctor Hastings. It is located in the east end of the city. A wing containing 200 rooms was taken away from civilians and given over to government use.

No doubt it was absolutely necessary and the possibility is that the government may take over the whole building.

The duty of the government is to look after its soldiers first, but something will have to be done also for the civilians. You cannot have them out on the street Many of these people are the wives, the parents and children of soldiers overseas. The Minister of Public Works made a statement the other day about Sunnybrook. I hope there will be no delay in completing this hospital. As one who has a great deal to do with the building of public buildings I know that they are not completed over night; tenders must be called for, and all this takes time.

It is said that the completion of this hospital is held up because of the difficulty in getting equipment. The board of education in Toronto are trying to build a new wing to Riverdale collegiate as well as make additions to other collegiates and schools, including Perth Avenue in the riding of the hon. member for Davenport. The school board are trying to carry out an extensive programme but they are held up because they cannot get equipment. What is the use of talking about building houses, now castles in the air, when you cannot get the necessary building equipment? You cannot get the necessary equipment for private or public hospitals.

As I say, there are a number of private schools in Toronto as well as other properties which are exempt from taxation. Some of these could be taken over by the government and used as a means of temporarily tiding over this acute hospital situation. The necessary accommodation could be provided for soldiers and civilians alike. Something must be done immediately before the winter comes along. I do not know where we are going to be with things coming along as they are.

I think a lot has been done by the minister's department in the past six months on temporary accommodation, but there does not seem to have been much progress made on Sunnybrook. The transportation commission are willing to provide street railway services as soon as the tracks are laid. They have buses now which could go right to the door of the hospital. I have been told that the men and their families do not want to be away from the city, they want to be where proper transportation is available. The minister should inform the public monthly as to what progress is being made. I suggest that he should make a monthly report. I believe I have explained this whole situation in a fair way. The municipal services, such as light, power and transportation, can be provided immediately,

[Mr. Church.]

if the government will lead the way. The province has also offered a lot of buildings but I think that still more buildings can be used.

I had not intended to make these remarks this afternoon, but I hope that a progress report will be issued by the minister. I do hope that something further may be done to bring about in the Pension Act as in 1940, a national insurance scheme or one separate entirely from the Pension Act. I hope that when the war is over we shall not have the situation we had after the last war. This is a citizens' army of our young people overseas, and when they come back we do not want them to have to go to a commercial bank for a loan and have it refused them or have someone endorse a note for a couple of hundred dollars to enable them to start up a small grocery or a small manufacturing business of their own. The Macmillan report as I read it places this function on the Bank of Canada, I believe that the first duty and function of the Bank of Canada is to see that our soldiers when they return from the front will be able to get such credit, and I hope that provision will be made accordingly. I also trust that the minister will bring in amendments to the Pension Act embodying the constructive suggestions that have been made and that provision will also be made so that a soldier can get the small amount of capital he requires to start up in business for himself.

Mr. PERLEY: Mr. Chairman, I think you have been pretty generous in allowing this discussion to go far afield. I think that much of the discussion yesterday was out of order.

I want to associate myself with one or two of the many constructive suggestions that have been made. I refer particularly to the suggestion made by the hon. member for Vancouver South that the minister bring in amendments to the Pension Act so that the onus will not be on the returned man to make application for pension but rather on the government to prove that the man is not eligible for pension. The status of a man before his enlistment is also worthy of consideration.

A good deal has been said with regard to hospitals and hospitalization. We have heard about Christie Street hospital almost every day, and if there is any way of settling that problem to the satisfaction of some of the Toronto members I do hope that the minister will do it. The hon. member for Melfort suggested decentralization of hospitals and hospital services. I think that that too is worthy of consideration, so that when the men return they may be able to secure hospitalization in the part of the country from which they came. I think that would be well

worth while. Suggestions were made as to where certain health centres should be located. I am never backward in making suggestions to the minister with respect to my own bailiwick or my own part of the country. Might I remind him that at Fort Qu'Appelle there is one of the finest sanatoria in western Canada, and it is doing splendid work. It is second to none, I was going to say, in Canada. A convalescent home in the Fort Qu'Appelle district for men who do not require complete hospitalization but rather a rest home would be ideally located.

I am sure we are all anxious to do everything in our power for the returned men and appreciate our responsibility to them. I agree entirely with what the hon. member for Edmonton East said this afternoon when she spoke of the responsibility of the people at home. I think we all realize what the men will expect of us when they do return home.

I received just to-day a letter from a doctor who has been overseas four years. I shall not read it, but I wish some of the members would read this letter because it shows what is taking place in the minds of the men overseas. He says that the men hardly know what is going on in Canada now because they have been away from their homes and families for so long and have been doing nothing but training and getting ready to fight. He said that some of them were not very much concerned about Canada now, that all they were interested in is fighting and winning this war. This letter goes to prove that the men will come back in a very different frame of mind. He said that they are most interested in meeting men who have come back to Canada and then returned overseas, but he says that after hearing the story of these men they seem to be more confused than ever because of the reports they bring about the conditions back home.

The minister will recall that when the estimates of the Minister of Labour were before the committee I brought up the question of training ex-service men in schools and getting them prepared to start up in business for themselves. I trust that these schools will be continued, although some have not been successful, and some were started with a misunderstanding. I see the minister is smiling a little, but there was certainly a misunderstanding on the part of the men attending one school, as I think the minister was quite willing to admit. I think he is willing to see that justice is done to these men. It is a splendid thing to establish these schools where men can fit themselves for entering a new line of business. Many of our men went overseas when they were still young and had never been in business. It will be difficult for them when they come back to decide what line of business they want to follow.

I am pleased to note that some of the suggestions that have been made by the members of the opposition within the last two or three years have been implemented in amendments to the Pension Act. I am glad that the minister has seen the merit of those suggestions.

I do not want to rehash what was said yesterday. The hon. member for Trinity, referring to the hon. member for Hastings-Peterborough, said that he was just threshing old straw. Personally I do not think the hon. member for Trinity would know straw if he saw it. I think the hon. member for Hastings-Peterborough made a most constructive speech and I hope that many of his suggestions will receive the consideration of the minister and be implemented, even though they may not have carried much weight with the hon. member for Trinity.

I said, Mr. Chairman, that I was going to take only five minutes, and my time has almost expired. I think a man can say as much in five or ten minutes as some say in forty minutes. We all want to get on with the business of the house, so that I shall say no more.

Mr. MacNICOL: Mr. Chairman, I too shall follow the good example set this afternoon and speak very briefly. I come from a riding with more enlistments both in the last war and this than any other riding in Canada, I was going to say, but I will say more than any other riding that I know of. The riding is settled pretty largely by old country folks who have enlisted in great numbers in this war, as they did in the last. During the last fifteen years I have had a great deal to do with bringing to the attention of the department the troubles of many returned soldiers, and I am happy to say as regards the vast majority of cases I have no complaint as to the way they were finally treated. I did not get all I tried to get, or all that the men for whom I was speaking asked for, but in the great majority of cases relief was given. So that I cannot, so far as my own experience goes, find too much fault with the department. In the course of these years I have noted some points which might be considered with benefit by the department in looking after the soldiers coming back from the present war.

A number of the cases with which I was concerned had to do with soldiers who were captured and held in prison camps in Ger-

many. I suggest that the department should make every effort, of course through neutral sources, to get particulars as to the treatment of our prisoners in German camps and the effect upon them of the conditions there, and that they should make similar observations of their own concerning German soldiers in prison camps in Canada, so that the effects of prison life on soldiers may be more exactly determined. I have had to deal with many men who were, and in my judgment are yet, suffering from prison camp life in Germany. Undoubtedly the food was not what it should have been, and coupled with it, the fear of being shot, the desire to escape, all the unpleasant elements of prison life in the last war, could not fail to have had their effects. I hope the department will make a special effort in the way of ascertaining the effects of imprisonment upon the health of soldiers who are prisoners of war.

A great number of people whose physical condition was far from perfect have enlisted in this war. In many cases I took the trouble, even prior to their enlistment, to write to the authorities advising them that this man had very flat feet, that that man was subject to bronchitis, or one thing and the other, yet these men were enlisted and classed A-1. I can never understand how a man with a disability which even the ordinary layman can see and understand can be enlisted as A-1. After serving in the army for a year or more a number have been discharged. I wonder what is their position if, having been classed as A-1, they apply for a pension. The department will have records of the particular cases which I have had to deal with, and doubtless many more, and I assume that these records will be held up to these boys if they apply for pension. There is a great deal in the contention which has already been made that anyone who passes a medical investigation one hundred per cent should become the responsibility of the government, unless, of course, he subsequently commits some misdemeanour which disentitles him to consideration.

Everyone has had something to do with soldiers who, coming back physically fit or apparently fit, have refused to apply for a pension and have later become ill. Many men with whom I am well acquainted fell sick as a consequence, they claimed, of war disabilities, but not having applied for or accepted a pension they were refused admission to military hospital. I think a change for the better could be made there. Any man who served in France during the last war or has been on active service in this war, if he is discharged as one hundred per cent fit, should not be denied consideration if he later becomes ill and is not on pension. I do not believe there is a doctor living who can state positively and prove that a man upon discharge is one hundred per cent fit. If what I suggest is not in accordance with the act, there should be an amendment which will permit treatment of men of the class I have mentioned. I know many who fought in the trenches three or four years, who did not receive a pension when they returned, and who later, when ill, were refused admittance to a military hospital.

Another class of returned soldier with whom I have had a good deal to do is the imperial. In my part of Toronto, and no doubt in Victoria and Vancouver, where so many imperial soldiers went, there are many who saw long service in the British army and served during the whole of the last war. I have in mind a man who saw service in Turkey, at the Dardanelles, in Egypt and in India. Now, having taken ill out here, he cannot go to a military hospital, nor can he obtain a pension. I believe this has been mentioned by another hon. member, and I would add my plea that the department try its best to make some reciprocal arrangement with the British government, in order that imperial soldiers who have been out here five, ten, fifteen or twenty years shall be entitled to consideration in respect of pensions and hospitalization.

I am not going to say anything critical of Christie street hospital. Other Toronto members have spoken on the subject and I can add nothing to what they have said. I know that lately some improvements have been made, and I would suggest a further one—not with the intention that the government should continue to operate the place, but as they are going to keep it for a while there is no reason why they should not improve it. The elevator service is bad, as I know because of the frequent trips I make to visit people from my riding. It is just east of my constituency; in fact it is in a riding which at one time I represented. The government should put in escalators which would go at least from the ground floor to the first floor, where half the patients are located. I have seen elevators crowded repeatedly with the relatives and friends of patients. It would be much easier for visitors and it would not cost much to install an electric escalator so that people could go from one floor to the other without the inconvenience which they experience now.

I compliment the department on the taking over of the Red Chevron. It is on a hill, surrounded by fine grounds. I do not know how many it accommodates.

Mr. MACKENZIE (Vancouver Centre): Two hundred.

Mr. MacNICOL: Well, that was a step in the right direction. While criticizing the department as regards one hospital I will give it credit for its action in taking over the Red Chevron; it is a mark in their favour. Then, I compliment the government for taking over the hospital built by—I say "built" advisedly, because he deserves more credit for it than anybody else—the hon. member for Danforth. I do not believe it would ever have been built but for his activities. He wanted me to take part in helping him get the building going, but I had not the time. He deserves unstinted praise for the part he has played. Just before he went away he told me that the department had been very good in taking off the hospital's hands a new wing of 200 rooms, so that there is another mark in the department's favour.

As regards Sunnybrook, after all that has been said about it, the only thing I can suggest is that the contracts be called as speedily as possible and the work undertaken with the greatest rapidity humanly possible. If there are cases in Christie street hospital that are not in danger of dying, but that require only daily or weekly medical attention, it would be nice if they could be moved to Toronto island in the summer and brought back in the fall. There is no finer place in the world than Toronto island. It would cost little, if buildings are not available, to put up suitable tents. The military department has ample tents, because if there were a great fire in Montreal or Halifax or Hamilton or anywhere else they would quickly find the tents. That is one place where summer comfort could be given to patients in Christie Street hospital.

Recently I had to do with a soldier returning from the present war. He had been in many actions, had been under fire and had been wounded. He was not discharged at the time I met him but was home. He was away without leave on several different occasions and as a matter of fact when I went to see him he was in the clink. While in the clink he told me he felt he had been ill-treated. He had been through a great deal, and the very place that he had served in, Dunkirk, was enough to throw anyone's nerves off colour.

I hope every effort will be made to give these boys who are coming back from such terrible and bloody experience the most considerate and sympathetic treatment possible, and if they commit a few misdemeanours there should be some other way of dealing with them than by putting them in the clink. At any rate, I would be chary of putting these boys in the clink, for they have offered themselves as a human sacrifice on our behalf.

Lastly, I hope that those who are returning from this war will be more frequently accorded the consideration intended by this House of Commons when it wrote into the present act that the soldier should be given the benefit of the doubt. He is in many cases, but I know of a number of cases in which he has not been given the benefit of the doubt.

Perhaps I should not now mention the next matter because I might be out of order, like my hon. friend the member for Winnipeg North Centre (Mr. Knowles) yesterday. I interjected a remark in the course of his speech. I should not have done so, perhaps, and I am sorry I did. At that time he was speaking on pensions for non-pensioned widows. All I am going to say is that I have been speaking on that subject in this house for years.

Mr. GRAYDON: You are the pioneer.

Mr. MacNICOL: Perhaps I am the pioneer in that regard, but I should not say anything about the subject under this item. I am sorry I interjected the remark I did yesterday. However, the hon. member and I will both have occasion to say something about it later on under the regular estimates.

Mr. GRAYDON: Before the minister rises to answer some questions that have been asked on the first item, may I say that a number of the members of our party would like to have spoken, endorsing many of the remarks that have been made; but being desirous of expediting matters, and not wishing to repeat too much of what has already been said in this debate, I am rising now to put our party's position on record in a very few minutes. I simply wish to say that while there were a number of planks in the Winnipeg platform dealing with war veterans' rehabilitation, there are two in particular which I should like to record at this moment in order to indicate the stand which our party took then and which it has continued to

espouse. I refer to No. 4 in the war veterans' rehabilitation programme, in which our party called for:

Adequate pensions or compensation should be paid by the state on the "insurance principle" in the event of the death or disability of any man or woman serving in the armed forces. Unless death or disability results from actual misconduct, such compensation should be payable irrespective of the locality of service, and whether or not such person was engaged at the time in military duties.

May I go farther and mention one other plank in the Winnipeg platform with regard to war veterans' rehabilitation:

The Returned Soldiers' Insurance Act, or a measure similar in principle, should be made applicable to men and women discharged from service in the present war.

In addition to that, through the amplification of that programme at the annual meeting of the Progressive Conservative Association of Canada on March 3 last, certain clauses were drawn up with respect to matters which I think were properly mentionable at the time. There are three clauses in the amplified platform of ours which I should like to quote now. Two of them are short and do not come under the minister's department. I quote the first two:

That equal allowances to those received by wives should be granted by right to dependent mothers.

That in addition to an adequate clothing allowance, a generous scale of mustering-out pay should be paid to all the members of the armed forces on demobilization, based on services rendered.

The third clause comes directly within the purview of the minister's department, and it is one on which we feel keenly. Our party is prepared to battle for it because, in my opinion, it represents the kernel of the whole situation in regard to veterans' rehabilitation and the pensions problem. This appears in our record and I wish to put it on the record of the house.

That the presumption should be established that a man's condition as recorded on his admission to the service was in fact his condition at that time; and that any subsequent deterioration in his condition was due to his service. There should be no onus of proof on the claimant, and the benefit of any doubt should be given to the claimant.

In putting these clauses on the record I desire to associate those members of our party who have not spoken with the claim that is put forward in this programme.

In closing, I should like to impress this consideration upon the minister with regard to changes in the law, if one may put it in that way, which have been brought down by the minister in recent times. I suggest to him, as has been suggested before, that laws so important as these should not be a matter simply of order in council. They should be laws passed by the parliament of Canada and not simply by the executive power. With these remarks, may I suggest to the minister that he gives heed to the many suggestions that have been made in this debate. I think he will agree that the debate has been productive of many worth-while suggestions; and I hope that in consequence, from time to time, the government will be enabled to do a better job for that branch of our citizens who are entitled to have a better job done for them than any other section of the Canadian people.

Mr. BLACKMORE: I assure the minister that our group has endeavoured to do what the Progressive Conservatives have done. We have tried to reduce the number of our speakers to the minimum. The sentiments expressed by the two hon. members of our group who have spoken are the sentiments of the group as a whole, and I may add that we are in hearty accord with all the ideas expressed in the excerpts read by the leader of the Progressive Conservatives, with respect to the advances that should be made in the matter of pensions and allowances for returned men. We feel that Canada has not by any means done her full duty by these men. We are not particularly blaming the Minister of Pensions and National Health, but certainly there is a lack of social services in Canada and various other advantages which on the whole have borne heavily upon many of the men who fought in the last war.

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health): I find myself in the rather invidious position either of not replying to the splendid and constructive suggestions to which I have listened for nearly two days now, or of placing myself under indictment for holding up my own estimates. However, I wish to agree immediately with the leader of the opposition that this has been a fine and constructive and, on the whole, cooperative debate, and I should like to assure hon. members of all groups and parties in the house that every suggestion of a constructive nature that has been advanced during this debate will be most carefully and sympathetically reviewed not only by the minister but by the officials of the department.

Before I come to deal briefly with some of the questions which were brought up in the course of the discussion with regard to pensions, treatment and rehabilitation, I wish to say a word about the suggestions made yesterday by some hon. members in regard to matters

affecting the national health. The hon. member for Parkdale, the hon. member for Renfrew South, the hon. member for Portneuf and the hon. member for Medicine Hat all made what I consider valuable contributions in connection with this question. Emphasis was placed by the hon. member for Parkdale on the national menace in regard to venereal disease, and the hon. member for Renfrew South was able to point out that recently we had a national campaign, which I trust may have most fruitful results, to deal with this menace. The necessity of watching cases on discharge, in connection with this disease, was mentioned by the hon. member for Portneuf. I agree with the hon. member for Parkdale as to the wonderfully valuable service rendered to Canada by Colonel Williams, who happened to do his pioneering work in British Columbia. He did wonderful work for that province; since then he has done wonderful work for the dominion, and he is now becoming an international authority on this question, so that my fear is that he may be taken from us for service in larger spheres. The hon. member for Medicine Hat mentioned a recent typhoid epidemic in the west, and I can assure him that as far as the powers of the Department of Pensions and National Health go we shall pay very great heed to the suggestions he made yesterday.

The hon. member for Portneuf referred to the question of psychoneurosis, and mentioned one case by number. He rather conveyed the impression, if I followed him correctly, that there was a rigid bar against pensionability in cases of neurosis. I wish immediately to assure him and the committee that there is no such bar and that there never will be; that unless there is positive proof, as a result of the history of the case, that the psychoneurosis was a preenlistment condition, anyone suffering from the stresses and strains of battle would be pensionable, and that this would be the policy followed by the Canadian pension commission. I have reviewed the case to which he made reference, and without mentioning the name I find that following service in Canada and England this man was discharged on January 24, 1941, as medically unfit for further service because of anxiety neurosis. He was married, with seven dependent children. The record shows that in September, 1940, when hospitalized in England he gave a history of headaches, choking feelings and anxiety symptoms for the past seven years. He stated that the last time he felt really well was seven years ago, when a doctor told him that there was nothing serious but that he could not do anything for him. He was returned to Canada and admitted to Ste. Anne's hospital, where he stated that he had always been jumpy, high-strung and worried easily. Following treatment at Ste. Anne's he claimed that he was much improved and that he was practically as well as on enlistment. From a physical point of view he was reported as perfectly normal and treatment was terminated on February 7, 1941. The pension commission has ruled on first and second hearings that anxiety neurosis was preenlistment and not aggravated. When notified of the second hearing ruling on February 20, 1942, he was advised of his right to request a hearing before an appeal board of the commission. Since that time there has been no further correspondence. That may have been a very difficult case, but I wish to emphasize this, because it is most important that the impression should not go out that there is a rigid or an automatic bar against recognition of the pensionability of these neurosis cases.

During the course of the debate another suggestion was made by the hon. member for Hastings-Peterborough and this afternoon by the hon. member for York South. In the course of their remarks they said something which I rather regretted—I will not say resented—when they called the hospital at Toronto a national disgrace. Well, Mr. Chairman, that is not a fact; it is not correct. We are now building, as hon. members know, probably the finest hospital in the dominion, but in Christie Street hospital will be found one of the ablest staffs, doctors and nurses and administrative staff, to be found anywhere in Canada. The strange thing is that patients who have been there, if they have a repetition of their disabilities, all want to go back to the same hospital. That is well known in the department. I know the situation is not ideal; I recognize that the location is not perfect, but this was a legacy which I inherited when I took up my duties in this department. We are now improving it; we have improved it very much this last year, and we are improving it still more, because in the ordinary course of events the new hospital cannot be ready for some time yet, and Christie Street will see us over the peak. There is no intention whatever of continuing it as a permanent institution, as some hon. gentleman mentioned this afternoon.

There has been some suggestion of delay, and some good friends of mine made facetious reference to the turning of the sod last Armistice day. I am glad to assure hon. members that the architects went to work immediately after the turning of the first sod and the presentation of the token deed to the department by the city of Toronto. I want to acknowledge publicly in this house the

generosity, graciousness and cooperation of the city of Toronto in regard to Sunnybrook hospital. The complete plans and specifications for the first unit of 450 beds, plus service facilities for a much larger institution, will be ready so that tenders should be called for in June. On May 4 tenders were closed and on May 11 a contract was awarded to the Armstrong Construction Company of Brantford, Ontario, for the grading and preparation of the site.

Mr. GRAYDON: Are you sure that is not Brampton?

Mr. MACKENZIE (Vancouver Centre): Well, it might equally well be the fine city so worthily represented in this house by my hon. friend the leader of the opposition. The question of policy with regard to providing new hospitalization in Toronto for returning casualties involved a finely balanced decision. There were two schools of thought. The first was that temporary accommodation in the vicinity of the established Christie Street hospital should be provided, where new patients would have the benefit of the complete hospital service and equipment developed at that centre. The other school of thought believed that we should have a completely modern, new hospital on a more advantageous site. Each of these policies had its disadvantages. By the first we would have been investing further large sums in an admittedly unsuitable institution. By the second we incurred the risk of delay; for a new institution, equipped in all points, necessarily takes longer to provide and there was no point in establishing it in temporary huts or on a temporary basis. The second alternative had overwhelming public support, and has been adopted. Pending the development of these new facilities we have acquired the use of 200 beds in the East Toronto hospital, and we have removed a number of older veterans requiring permanent institutional care to the former Oddfellows home near Christie Street, now known as the Red Chevron, to which the hon. member for Davenport just made reference. In connection with the accommodation being provided by the East Toronto hospital I wish to express my appreciation of the cooperation of the hon. member for Danforth, who is now overseas.

Whatever may be said about the site and suitability of the Christie Street hospital buildings, that hospital is equipped with the most complete facilities for all-round clinical services to the sick and wounded members of our forces, and is served by the cream of the medical profession of the city of Toronto.

Having accepted the disadvantage of loss of time in getting the new hospital ready we have renovated and greatly improved the accommodation at Christie Street hospital, which must continue in use until the move into the new hospital can be made. One of the improvements is an increased provision of private and semi-private accommodation for seriously ill and post-operative cases. I think the hon. member for Hastings-Peterborough referred to that yesterday.

As evidence that, despite certain handicaps, excellent treatment is being given to the patients, I should like to read a letter received only this morning from the father of a patient recently cared for in two of our departmental hospitals mentioned in yesterday's debate, namely Camp Hill and Christie Street. I am referring to this letter because it happened to reach me this morning. But I am happy to say that many such letters testify to the quality of service rendered by the staff in our departmental hospitals.

This letter reads as follows:

> My son has just returned to his home after a three-week stay in Philadelphia with relatives, to get some sunshine after four months in military hospitals.
>
> May I express to you, sir, my appreciation of the way in which he was treated in the Camp Hill hospital, Halifax, the Christie Street hospital, Toronto, and in the manner in which his case was treated, under the regulations with regard to discharges.
>
> He tells us that the food and conditions and care, and the medical attention given in the hospitals named, was without need for criticism, but rather much the reverse. For this we, his parents, are truly thankful as, owing to his severe case, he had a trying time.

So that, sir, is the situation in regard to Christie Street, and in regard to Sunnybrook.

A question was raised by one hon. member in regard to hospitalization accommodation. The answer is that as of April 17, 1944, we had operating 7,382 beds and space for 8,484 beds. We have under construction 430 additional beds, which will be operating by June. We have under construction 1,938 beds which will be operating by this autumn. We shall, therefore, enter the year 1945 with 9,750 beds operating. We have projected plans and specifications under preparation for an additional 4,214 beds which should be operating in December, 1945. We purpose providing 600 health and occupational beds in British Columbia and Ste. Anne's, for which we are still seeking a site, but which are approved in principle. This gives us a total bed capacity in 1946 of 14,600 beds, with the army operating or building a total of 15,000. We have not included in this the emergency beds which we have on hand to place in sun-rooms, and so on, if urgent for temporary periods. The combined figure would be 30,000.

I now wish to deal briefly with a question which has been mentioned by several hon. members, namely the insurance principle. I am now going to retrace the history of what has occurred in each country, so that every hon. member may be quite familiar with it. I wish to have on the record the situation all across the empire with respect to this insurance principle.

To take first the United Kingdom: Under amendments to the royal warrant passed in August, 1943, disability or death is accepted as due to war service if it is certified that (a) the disability is due to a wound, injury or disease which (i) is attributable to war services or (ii) existed before or arose during war service and has been and remains aggravated thereby; or (b) the death was due to or hastened by (i) a wound, injury or disease which was attributable to war service or (ii) the aggravation by war service of a wound, injury or disease which existed before or arose during war service.

No onus of proof is now on the claimant and the benefit of any reasonable doubt is given him. This is subsequent to what was mentioned yesterday by one hon. member. It will be seen, therefore, that while the insurance principle is technically not in effect for Great Britain, the provisions governing entitlement have been considerably broadened in favour of the applicant.

Then, with respect to the United States: The underlying principle would seem to be "line of duty" with modifications. The insurance principle does not apply there.

Then, for Australia: Disability or death must be directly attributable to having sustained a war injury. Special provision is made for tuberculosis. The insurance principle is not in force.

For New Zealand: Provisions closely resemble those of Canada. Pension is payable for death or disablement while on service overseas, or nevertheless attributable or aggravated by such service. When service has been in New Zealand only, the death or disablement must be actually due to service with the forces. Accidents or injuries while on leave are not pensionable. The insurance principle is not in force.

For South Africa: The insurance principle is not in force.

So that, after reviewing every single country of the commonwealth and the United States, the insurance principle as we have been advocating it here, and as we had it in Canada for the great war, is not to-day in force in any of these countries. I am not saying that because of that I am opposed to the insurance principle. It was discontinued because it was found that certain abuses arose early in 1940, abuses which were most regrettable. A change was made at that time, and the order in council of May 21, 1940 was adopted.

Then, as was stated by the hon. member for Vancouver South, this subject was most carefully reviewed before the committee on the Pension Act which sat in 1941. The present section 11(3) was placed in the act to meet needy cases, and has been most effective, in a commendable way. Although it is not equal to full recognition of the Pension Act, it has been most effective in solving questions which could not otherwise be met.

Mr. GRAYDON: The minister is not closing the door entirely, I hope.

Mr. MACKENZIE (Vancouver Centre): Certainly not. The house has discussed pensions since 1920, and I like to hear the views of hon. members with respect to the question of the insurance principle. Let us remember that the Pension Act of this country was not the work of any one party, but rather was the joint effort of every part of the house. And I think we have built—I have said this before, and I am content that it be compared with that of Great Britain, or of the United States, or of any other part of the commonwealth—as a result of our joint effort, the finest Pension Act for any soldier in the whole world. There is no doubt about that—and I say that it has not been the work of any one party.

Mr. GRAYDON: The matter can still be considered?

Mr. MACKENZIE (Vancouver Centre): That is what the house is for.

Then, in regard to present war pensions in payments, I have some figures which I shall submit. At the present time, March 31, 1944, there are 12,563, with an annual liability of $6,487,755. The following table will show the total disability awards to male members of the forces only:

Disability

	No.	Liability
Canada	1,729	673,744
Outside	5,416	1,991,933
Total	7,145	2,665,677

The same information for dependents is as follows:

Dependent

	No.	Liability
Canada	971	643,142
Outside	3,959	2,918,425
Total	4,930	3,561,567

The total of disability and dependent, as contained in the two preceding tables, is as follows:

Disability and Dependent

	No.	Liability
Total.....	12,075	6,227,244

The difference between these figures and the grand total is represented by awards to certain special classes outside the forces.

Mr. CASTLEDEN: What are the figures respecting the applications for pensions for injuries within Canada?

Mr. MACKENZIE (Vancouver Centre): I would prefer it if my hon. friend would permit me to answer that when we reach the item.

Mr. CASTLEDEN: All right.

Mr. MACKENZIE (Vancouver Centre): I shall now discuss the question of decentralization—and I am taking these points as rapidly as I can. This question was discussed by several hon. members during the course of the debate. Staff shortages were mentioned by the hon. member for Winnipeg North Centre last night. These two subjects can best be considered together. On account of the war we live in a time of shortages of man-power and of commodities of all kinds. Because of these shortages we have to make the greatest possible use of what is available. That is one of the reasons why it has been necessary to concentrate hospital services for members and ex-members of the forces in a comparatively small number of large hospitals. Another reason is that in large centres of population there are assembled groups of leading specialists in all branches of medical science. We employ these specialists on part-time salary.

As a result of having our hospitals close to large centres of population we are able to obtain for sick and disabled veterans the services of the leading specialists in Canada as and when they are needed. This would be much more difficult in a large number of widely scattered small hospitals. By centralization we raise the standard of medical services. The same consideration applies to the infinite variety of specialized hospital equipment. In times of scarcity it would be wasteful and probably impracticable to attempt to set up thirty or forty fully equipped small hospitals or hospital units. But in the small number of hospitals that we have it is possible to install complete equipment.

With respect to the staff problem we have experienced definite shortages, and our officials and employees in many cases have to do more work than we would ordinarily ask of them in normal times. The Department of Pensions and National Health is short in its medical establishment by seventy-three doctors, according to what I am told by our advisers. The situation, however, is not quite as bad as would have appeared from the figures correctly quoted by the hon. member for Winnipeg North Centre. The number of patient-days shown in the return from which he quoted includes the patients in approximately 1,320 beds in pensions department hospitals, which beds have been temporarily allocated to the armed services. These patients receive their medical attendance from service medical officers. These navy, army and air force medical officers who are in our hospitals attending to the service patients cooperate with the medical officers of my department by serving other patients who are on our own charge. The extent of this service cannot be stated statistically, but it is of material assistance.

Over and above that measure of cooperation, the armed services have placed additional medical officers at the disposal of the Department of Pensions and National Health, in numbers that vary from month to month. It is not possible to state exactly the number of service doctors thus giving full time to the department, but I am advised that thirty-seven would be a good estimate. In Camp Hill, where the hon. member for Winnipeg North Centre pointed out that the number of doctors on the pensions and national health staff is actually less than it was in 1939, we have the full-time services of not less than five or six service medical officers. In Toronto this number is not less than fifteen.

The deficiency in our own staff is, therefore, largely made up by these two factors: first, the part-time services of medical officers assigned to care for service patients in pensions department hospitals and, second, the full-time services of approximately thirty-seven service medical officers assigned to duty in pensions hospitals.

Further steps are being taken to meet the shortage of doctors by advertising positions at higher salaries than have hitherto prevailed. Yesterday the hon. member for Renfrew South spoke about the low remuneration paid to these doctors, but I may say that we now have authority to offer as high as $6,500 a year to certain types of specialists. In addition, we have been advised of the possibility that some of the older medical officers with considerable periods of service overseas may shortly be replaced by younger men in the services, and thus made available for the care of patients returned to Canada and in our hospitals.

The question of private nurses was raised by the hon. member for Hastings-Peterbor-

ough. Private nurses are assigned to seriously ill and post-operative cases whenever the medical officer considers it is necessary. When it is possible, nurses are selected from the hospital permanent staff, but when these are not available application is made to the nurses' registry. It is impossible to give the exact number of private nurses assigned because, when a member of the staff is placed on such duty, the incident is not necessarily a matter of record. The work is done as part of the regular duty.

I come now to a discussion of the question which was brought up, I think, by most of those who spoke yesterday, namely, the recent changes in the British regulations affecting entitlement. Several hon. gentlemen placed upon the record parts of a statement made by Sir John Anderson in London when the debate was on. The hon. member for Vancouver South read the first two paragraphs dealing with entitlement, but he overlooked the third paragraph which is vital and which relates more directly to preenlistment or A-1 condition than the other two. This is from the ministry of pensions, "Changes in War Pensions", page 2, paragraph 4:

> There remains to be considered the claim, "Fit for Service, Fit for Pension." This claim is inconsistent with the principle, which obtained in regard to the war of 1914-18 and has since been maintained, that there must be a causal connection between disablement and war service to enable a pension to be awarded. H.M. government reaffirms this principle and is accordingly unable to accept the claim, "Fit for Service, Fit for Pension." Its acceptance would mean that the minister of pensions would assume liability for a condition which became manifest at any time after the commencement of war service whether or not service had played a part in its onset or development. In the view of H.M. government a disablement in which war service has played no part should be dealt with under the ordinary social service provisions.

Although they have certainly broadened the provisions, according to the paragraphs mentioned yesterday by my hon. friend, they are far from admitting the claim, "Fit for Service, Fit for Pension."

Mr. GREEN: The minister must not misunderstand me; I did not advocate that.

Mr. MACKENZIE (Vancouver Centre): No; it was done by another speaker. Preenlistment origin is one of the most widely discussed questions in this debate. No discharged man is denied pension on the ground that his disability was of preenlistment origin unless there is positive evidence that that is the case. In many cases brought to my personal attention, I have found, upon inquiry from the commission, that the man has himself quite frankly stated that he had suffered injury or illness of the type in question prior to joining up. In other cases, precise hospital records have been brought to the commission's attention. There is no class of case, I am advised, in which the commission is more disposed to give the applicant the benefit of the doubt, and entitlement is denied only where the evidence is positive.

Much has been said about the careful examination given at time of enlistment. I am advised that, without disclosure of facts, no medical man can guarantee accurate diagnosis. In the medical examination at the time of enlistment, the medical man has to rely upon what can be observed by the various tests which are used and upon information from the recruit. If he withholds information or does not give truthful information, the medical officers may be misled. We all realize that it is not to a man's discredit if, in his anxiety to be of service, he refrains from disclosing some previous illness, the disclosure of which might debar him from service. It does not follow, from the view we may take of this action on the part of the recruit, that the country should undertake to provide pension for a disability which did not arise out of or even during military service.

I now wish to deal with the question raised by the hon. member for Vancouver South, that of accidents. Yesterday the hon. member referred to a statement by Sir John Anderson in the British House of Commons dealing with the policy of the British ministry of pensions as related to accidents sustained by members of the forces. Briefly, the statement was to the effect that His Majesty's government has decided that under war conditions accidents sustained, (a) whilst "walking out" in spare time; (b) whilst travelling to and from home on short pass; (c) whilst travelling to and from duty when living in accommodation privately arranged, can reasonably be regarded as attributable to service. The fourth category was accidents sustained whilst actually on leave.

In the latter cases His Majesty's government consider "the compulsions of service play no part and an accident sustained in such circumstances cannot properly be regarded as attributable to service". The Canadian pension commission advises me that with regard to members of the forces serving in Great Britain or anywhere beyond Canada the provisions of the Pension Act are more generous and provide full protection under section 11, subsection 1, of the act with respect to all such accidents. That is, accidents outside Canada.

Mr. GREEN: The British cover all accidents outside Great Britain.

Mr. MACKENZIE (Vancouver Centre): The Pension Act provides two principles for

dealing with disabilities which arise out of accidents to members of the forces in Canada.

(1) In respect of military service, during the war with the German reich, any part of which has been rendered outside of Canada, the Pension Act provides full insurance coverage for everything that happened during that man's service. If he is involved in an accident, compensation is paid for death or disability resulting from that accident and there need be no direct service causation of the condition. He is fully protected in regard to any disability which may result from an accident unless he was on leave of absence without pay at the time the accident took place—

Mr. GREEN: Is that in Canada?

Mr. MACKENZIE (Vancouver Centre): I am speaking of men who have served outside Canada—or unless, during his leave of absence with pay, undertaken an occupation which was unconnected with military service and the accident had arisen during the course of that occupation.

(2) In respect of military service which has been wholly rendered in Canada pension is awarded for disability or death resulting from an accident when the accident arose out of or was directly connected with military service.

The other clause had reference to service rendered partly in and partly out of Canada.

Mr. GREEN: That is the difference.

Mr. MACKENZIE (Vancouver Centre): While not providing full insurance coverage for all accidents that happen in Canada to members of the forces whose service is restricted to Canada only, this principle has a very broad application. While somewhat analogous to the conditions of workmen's compensation, the Canadian pension commission gives it a much broader application than the provincial workmen's compensation act and also a wider application than the United States phrase "in line of duty." It is not necessary that the injury should have been caused by some incident or occurrence peculiar only to the performance of military duty such as the discharge of a weapon or an accident while driving a military vehicle, but rather that the man should have been in the course of his service exposed to a hazard related to that service. For instance, any person engaged in games designed to improve the physique as a part of the training is entitled as of right to pension consideration for any injury so incurred.

The question of leave has been given careful consideration. A man returning from leave by an ordinary, legitimate method of transportation who suffers a fortuitous accident is undoubtedly entitled to pension consideration for any disability resulting therefrom, as is a man who is on living-out pass who suffers a similar accident going to and from his duty from his place of dwelling by proper means. Such cases have received favourable ruling from the pension commission.

A striking example is the Almonte train wreck, in which favourable consideration as of right was given to all members of the services who were killed or injured in that accident.

Another type of case is one in which the commission recognized death by drowning where the man, although not on a regular ordered bathing parade, was bathing with a group of comrades at a place which was allotted for such purpose and to which the men were encouraged to go during the warm weather when they were not on parade. It will be observed that the basis of entitlement under this section is that the accident must have arisen out of or been directly connected with the man's military service. Each case is decided on its own merits after careful inquiry. When an accident occurs, the military authorities hold a court of inquiry, and when the man is discharged from the forces, a copy of the evidence before this court of inquiry is supplied to the pension commission and the commission decision is reached only after a careful study of all the evidence adduced at the hearing.

It is the policy of the commission to award entitlement as of right in all cases of accidents where service was a factor.

It must always be remembered, however, that an unfavourable decision under section 11 (2) does not exhaust the benefits of the Pension Act. Where a disability results from an accident which is not considered to have arisen out of or been directly connected with military service, an award of pension is made if the applicant is seriously disabled and in necessitous circumstances.

Mr. GREEN: That is only under a means test?

Mr. MACKENZIE (Vancouver Centre): Yes. The hon. member for Cape Breton South raised a question yesterday in regard to unemployment insurance, with respect to a soldier coming back who said that he could not get benefits from unemployment insurance until he had worked for so many weeks. Under an amended procedure, arrangements have been made that discharged men, for the year following their service, will draw out-of-work benefits from the pensions department before going to the unemployment insurance commission; this for the reason that the benefits under P.C. 7633, with family allowances, are on a much more generous scale.

Our administration facilities throughout the dominion are being expanded all the time, in order to give prompt service, and in Cape Breton, a civil service competition is now being held for a welfare officer, to be stationed at Sydney, Nova Scotia.

Questions were asked in regard to enlistments and discharges and I have a statement as follows:

Enlistments
(September, 1939, to January 31, 1944)

Navy		
Men	81,367	
Women	4,534	
		85,901
Army		
Men	514,257	
Women	16,384	
N.R.M.A.	102,795	
		633,436
Air Force		
Men	222,517	
Women	22,388	
		244,905
Grand total		964,242

Discharges to 31st March, 1944

Navy		
Men	5,773	
Women	137	
		5,910
Army		
Men	90,534	
N.R.M.A.	19,162	
Women	3,351	
		113,047
Air Force		
Men	14,143	
Women	1,498	
		15,641
Grand total		134,598

Mr. GREEN: That is about 135,000 to the end of March.

Mr. MACKENZIE (Vancouver Centre): That is right, 134,598 men and women. The discharges are as follows:

Discharged as medically unfit to 31st March, 1944

Navy		
Men	2,562	
Women	41	
		2,603
Army		
Men	68,867	
N.R.M.A.	16,333	
Women	2,476	
		87,676
Air Force		
Men	6,913	
Women	427	
		7,340
Grand total		97,619

Mr. GREEN: The minister's figure yesterday was wrong when he said 94,000?

Mr. MACKENZIE (Vancouver Centre): Yes; it should have been 97,000.

The procedure in effect by the Canadian pension commission is as follows:

(a) The proceedings of the medical board on discharge are referred by the discharge depot to the Canadian Pension commission in the district where the discharge is to be carried out. This provides that, where indicated, pension medical examination may be carried out or be arranged for before the man proceeds to his home.

(b) When discharge has been effected, the head office of the commission in Ottawa is notified of the date by the service concerned and that service documents are available for pension adjudication.

(c) When the man is discharged directly to the department for treatment pension, action is delayed until treatment has reached finality.

It will be observed that in every case the medical board on discharge on account of disability is reviewed in the first instance by the pension medical examiner in the district and then by the commission's medical advisory staff in Ottawa.

Of the total number discharged as medically unfit the following decisions have been rendered by the commission to the 29th February, 1944.

First hearings:		
Men	41,449	
Women	150	
		41,599
Second hearings:		
Men	4,529	
Women	15	
		4,544
Appeal boards:		
Men	1,900	
Women	1	
		1,901
Decisions other than above (special benefits provided by the act):		
Men	1,169	
Women	10	
		1,179
Grand total		49,223

It will be observed that of the total of 97,619 discharged as medically unfit the commission has rendered decisions in 49,223 cases. This leaves approximately 50,000 cases for whom no decision has been rendered by the commission. However, each case has received attention. The proceedings of the medical board on discharge have first of all been reviewed by the pension medical examiner in the district and again later by the medical advisory staff of the commission in Ottawa. When the discharge disability is of a minor nature and preenlistment in origin, a formal pension decision is deferred and the case given what is termed delayed priority.

Mr. GREEN: How many of these are outstanding?

Mr. MACKENZIE (Vancouver Centre): There were 50,000 regarded as hopeless at the start, but they have all been dealt with and only about 500 would be outstanding. This

in no way prohibits application at any time; many of these delayed priority cases have made application and the regular procedure has been instituted. This procedure has been inaugurated owing to the limitations in the medical and other staff available to the commission to cope with the large number of daily discharges.

Mr. GREEN: The effect is that there will be very few of these 50,000 eligible for pension?

Mr. MACKENZIE (Vancouver Centre): That is my understanding of the situation.

Mr. GREEN: How many of the other 49,000 applications have been granted?

Mr. MACKENZIE (Vancouver Centre): I shall give these figures later on. I have them on another sheet.

I think I have met all the questions which were raised yesterday and to-day.

Mr. MacNICOL: Does the minister feel able at the moment to make some reference to consideration of the case of the imperials?

Mr. MACKENZIE (Vancouver Centre): Yes. This question is one of very great difficulty. The difficulty is this, that the War Veterans Allowance Act in Canada has been applied only to those who saw service in the main in a theatre of actual war, and Canadians who served in Canada and in England in the great war are not eligible, excepting in a small number of cases, for the benefits of the act. If it is decided by this house or by any government to give entitlement to veterans' allowances to imperial soldiers who fought in the great war, the same right cannot consistently be denied to Canadians who went overseas from Canada. That is the difficulty all through the years. If it should ever come about that the veterans' allowance act were broadened out to cover Canadians who served in England only, the difficulty would largely vanish.

Mr. MacNICOL: The unfortunate part of that matter is that the imperial authorities have turned down flat the vast majority of imperial soldier applicants. They give them no consideration.

Mr. MACKENZIE (Vancouver Centre): That is in regard to veterans' allowances?

Mr. MacNICOL: For pensions.

Mr. MACKENZIE (Vancouver Centre): In regard to pensions, of course the imperial veterans who served with the British forces in the great war would be pensionable under their legislation.

Mr. MacNICOL: I may be wrong, but I understand that quite a number of imperial soldiers who have resided in Canada for several years had their applications turned over by our own department to the imperial authorities, and that the request to the British authorities on behalf of soldiers who served with the British army in the great war, and who did not take pensions, but were pensionable, was turned down flat.

Mr. MACKENZIE (Vancouver Centre): Not by the Canadian government; by the British government.

Mr. GREEN: With regard to the question asked by the hon. member for Davenport, is this not the situation? He was referring to imperial war veterans who have served in a theatre of actual war, and the minister likens their case to that of Canadians who did not serve in a theatre of war. Why does the minister lump the two together and say that, because the Canadian who did not serve in a theatre of war cannot get the war veteran's allowance, the imperial veteran who did serve in a theatre of war cannot get the allowance, although he may have been in Canada for twenty-four years?

Mr. MACKENZIE (Vancouver Centre): I happen to have been born in the old country, and I say it would be distinctly unfair to grant the allowance to imperial veterans who served in a theatre of war and not to Canadians who went overseas but were not allowed to serve in a theatre of war.

Mr. GREEN: Who did not serve in a theatre of war.

Mr. WRIGHT: Are the government taking any action to recover damages from the railroad company in the case of the men who were killed or injured in the Almonte wreck?

Mr. MACKENZIE (Vancouver Centre): That has not come to my attention. I shall be glad to look into it. We met all claims, but whether we recovered the money or not I do not know.

Mr. GREEN: The minister did not make the position quite clear with regard to the question of presumptions. I wish he would correct me if I am wrong as I make my statement. As I understand it, the position in Great Britain since last summer is this: they now have in their royal warrant under which pensions can be granted this provision; it is paragraph (3), which will be found near the top of page 3 in the white paper to which both the minister and myself have referred:

(3) Where an injury or disease which has led to a member's discharge or death during war service was not noted in a medical report made on that member on the commencement of his war service, a certificate under paragraph (1) shall be given unless the evidence shows that the conditions set out in that paragraph are not fulfilled.

The white paper on page 1 explains just what those presumptions mean, in these words:

> His Majesty's government accepts the view that the fact that a man is accepted for service in the present war in a cetrain medical category may be taken as presumptive evidence that (a) at the time of acceptance he was fit for the kind of service demanded of a man in that medical category; and (b) in the event of his being subsequently discharged on medical grounds any deterioration in his health which has taken place is due to his service.

I suggest to the minister and the committee that we have no provision of that type in our Canadian pension law. We have no provision which goes that far. It is operative now in Great Britain; I believe it is necessary under the conditions which have arisen in the present war, and I would urge upon the minister and the committee to see to it that Canada adopts those presumptions. They will help the disabled man to get a fair deal, and make it just that much easier for him to qualify for pension, and I think they are absolutely fair.

Mr. STIRLING: And they are exactly what we are asking for here.

Mr. GREEN: And as the hon. member for Yale points out, they are exactly what we have advocated in the policy of the Progressive Conservative party. Quite apart from whether this party or any other party advocates it, it is a fair provision. I think the minister will admit that we have no such provision in the present Pension Act; it could very well be added to section 62 of the act, which is what we call the benefit-of-the-doubt section. The British also have a benefit-of-the-doubt section, but they go that one step further and establish those two presumptions in favour of the men, and I think it is the sense of the members of this house and of the people of Canada that there should be that change here. I thought Sir John Anderson put the general attitude of the people of Great Britain and the attitude which should be adopted by this house clearly when, on July 20, 1943, he used these words, found on page 717 of the British *Hansard*:

> The treatment to be meted out to those who have made sacrifices for their country, who have lost their lives maybe, leaving dependents, or who come back shattered by wounds or disease, is a matter which engages the public conscience, and we should not rest content with any solution which fails to command the support of the overwhelming mass of reasonable people.

At the present time the Canadian Pension Act does not go far enough in this respect, and I urge upon the minister that he have steps taken to amend the pension law so that those two presumptions become part of the charter of the men who will be returning from the various fronts. Will the minister admit that we have no such provision in the Canadian Pension Act at the present time?

Mr. MACKENZIE (Vancouver Centre): In regard to the benefit of the doubt, we are about on a par now with Great Britain. In regard to the presumption mentioned by my hon. friend in the paragraph dealing with entitlement, my interpretation and my officers' interpretation of this is that the word "deterioration" here is equivalent to the provision we have had in the Canadian Pension Act with regard to aggravation. That is, we pension for the aggravation of a disability where the disability becomes increased on active service. But I would be glad to look carefully into the interpretation, and if my interpretation is not correct I shall have the matter carefully examined and see what can be done.

Mr. GREEN: I think the minister's advisers are quite wrong in that interpretation. They say that the word "deterioration" refers to an aggravation of a condition that existed before enlistment. If the minister will read the debate in the British house he will see that that was not the intention. Sir John Anderson said, at page 718:

> The first presumption—I am putting this in non-technical language—is that a man's condition as recorded on his admission to the service was in fact his condition at that time. The second is that any subsequent deterioration . . .

In other words, if the man enlisted as fit. That is the type of case to which I referred.

Mr. MACKENZIE (Vancouver Centre): That is aggravation.

Mr. GREEN: To continue the quotation:

> The second is that any subsequent deterioration in his condition was due to his service.

The minister's advisers have given him the wrong advice in regard to the interpretation of the British act, and I suggest that he should have the matter reviewed again and use his own judgment.

The other question to which I wish to refer is the insurance principle. In that regard, again, it is the sense of the members of this house that there should at least be a return to the insurance principle so far as some of the men serving in Canada are concerned. There is not a member who has spoken against it; not one has said a word in opposition to it. Of course, the position is this. There are in Canada many men in training who have enlisted for service anywhere. They are kept here because those are the orders of the army, the navy, or the air force, as the case may be. I suggest that those men who, in

the eyes of the general public, are ready to serve anywhere should be covered by the insurance principle. Perhaps it should not be extended to cover men not willing to serve anywhere, but it certainly should be extended to cover these other men I have mentioned. Section 11 (3), to which the minister referred, is really a stop-gap. He has admitted that it was brought in because we disagreed in the special committee that dealt with pensions in 1941. One or two of us thought the insurance principle covering all men in our forces should be left in the act, but we were voted down by the rest of the committee, and as a final solution—it was not a compromise because we never agreed to it—this provision 11 (3) was brought in. But it contains the means test. A man can get pension only if he is very hard up. He can get that pension only if he has a serious disability as distinguished from one that might not be considered serious, and he is entirely in the hands of the commission. If they had a good breakfast this morning they may give him a pension; if they have a poor breakfast to-morrow morning and do not feel so well they can turn down his application. I do not say that they do this, but there is too much discretion given to the commission in such cases. There should not be a large number of cases handled under a discretionary section of this type. The man should have the right to get his pension instead of having to depend on the discretion of these commissioners—at least, where he is willing to serve anywhere and suffers his disability before he has been able to get out of the country.

The minister said that they have not the insurance principle in Great Britain. There again I think he is wrong. His advisers have given him bad advice, because in effect the insurance principle does exist in Great Britain. If the minister will read the debate in the British House of Commons he will find that Sir John Anderson is reported to have said at page 723:

> When soldiers are on foreign service their whole conditions of life will be covered.

That is in effect the insurance principle.

> It is only when they return temporarily to the ordinary conditions of their civil life—as when a man goes normally on leave to his home in this country—that they will not be covered. That is the one exception.

Yesterday I read Sir John Anderson's further explanation in which he said, as reported at page 722:

> We are giving the fullest possible application of the doctrine that a service man places himself wholly and unreservedly at the disposal of the state during his service and we are covering everything with one exception.

[Mr. Green.]

The exception was illustrated by the case where a man at home fell off a ladder.

Mr. MACKENZIE (Vancouver Centre): They are all theatres of actual war there, which is our definition.

Mr. GREEN: That is not the British test. They do not put it on that ground. They say that once a man has given his life to the service he is under the control of the service and should be covered, except when he is home on leave. The Minister of Pensions, Sir Walter Womersley, at page 798, said:

> The only case which does not come within that ruling is when a man is spending his leave at home, or with friends, or going about just like any other civilian, or doing some occupation which very often cannot be described as having anything to do with military service. The government feel that they cannot go to that extreme and that the man must come into the ordinary social services for compensation.

That shows how far they are going, and I use the accident cases only by way of illustration. I think there are far more hardship cases in connection with disability, where a man is ill. Where a man in the service in Canada becomes ill and is discharged it is almost impossible for him to get a pension. I do not know what the figures are up to the present time. The minister has not given the number of pension applications granted—

Mr. MACKENZIE (Vancouver Centre): Just now I can give them up to the end of 1943. Our grand total of pension awards for all classes of pension arising out of service in the present war, up to December 31, 1943, has reached the figure of 11,244, with a total annual liability of $5,788,184. Of these pensions, 6,484 are for disabilities, and 4,760 are for the dependents of those who gave their lives.

Women members of the three armed forces are pensionable under the same conditions as men—and eighteen of our pension awards are for disabilities incurred by members of the Canadian Women's Army Corps and the Women's Division of the R.C.A.F.

Of the 10,783 pensions awarded with respect to members of the armed forces, 977 were awarded under section 11(3)—the compassionate section to which I have referred. The annual liability for these 977 pensions is $493,665. My recollection is that the number is 13,000.

Mr. GREEN: We have to find out how many served abroad and how many in Canada. I received a return last year, sessional paper 139, giving figures showing that only one man out of thirty-three discharged as medically unfit after service in Canada was able to qualify for pension. Outside Canada less than

fifty per cent qualified, although covered by the insurance principle. At any rate, the proportion of men discharged in Canada as medically unfit, who can qualify for pension, is very small. That, of course, means that the men are handicapped in getting treatment after they are discharged, and they are handicapped in many other ways. In other words, it shows that our pension law is not what it should be as it stands at the present time. Could the minister get the figures this evening showing first of all the proportion of men who served in Canada, discharged as medically unfit and unable to get pensions.

Mr. MACKENZIE (Vancouver Centre): Disability and dependents, both?

Mr. GREEN: Yes, and those who served abroad.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. GREEN: Has the minister the figures I requested just before the dinner recess?

Mr. MACKENZIE (Vancouver Centre): Yes; I have the figures as to the decisions rendered, as requested by the hon. member for Vancouver South. Decisions on disability and death, as at February 29, 1944, were as follows:

Granted	
Service in Canada	2,658
Outside of Canada	6,906
Total	9,564
Not granted	
Service in Canada	34,740
Outside of Canada	4,919
Total	39,659
Granted and not granted	
In Canada—Total	37,398
Outside Canada—Total	11,825
Grand total	49,223

That is the figure which was mentioned this afternoon.

Mr. GREEN: Then the minister said that there were about 50,000 deferred priority cases?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. GREEN: As I understood it, those are cases which have not been finally ruled upon, but which have been given a preliminary review, and the opinion is that applications if made, would not be granted.

Mr. MACKENZIE (Vancouver Centre): That is right.

Mr. GREEN: About how many of those come from men who served in Canada only?

Mr. MACKENZIE (Vancouver Centre): I can give only an estimate, but I think about 95 per cent would concern men who served only in Canada, most of them for very short periods.

Mr. GREEN: Then this would mean that about 2,658 pensions have been granted to men who served only in Canada, and that 34,740 applications have been rejected?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. GREEN: And another 45,000 of the men who have been discharged—

Mr. MACKENZIE (Vancouver Centre): Are not likely to have their applications granted.

Mr. GREEN: They are not likely ever to get pensions?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. GREEN: So that apparently only about 2,600 out of 80,000 men discharged who have served only in Canada will get pensions?

Mr. MACKENZIE (Vancouver Centre): If I may interrupt for a moment about the 50,000 deferred priorities; about forty per cent of those who served in Canada had service of less than six months.

Mr. GREEN: In any event the proportion of men who served in Canada and were discharged as medically unfit who can qualify for pension is very small under our present pension law?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. GREEN: I suggest that in itself this fact shows that there is need for changing the provisions of the Pension Act. Subsection 2 of section 11, which covers the men who have served only in Canada, covers also the men who serve in our peace-time forces, so that in effect our pension provisions are the same for the peace-time forces and for the men who are serving now, during the war, in Canada. I think the minister will admit that this is so. I do not think that is fair. I believe that where men are serving in time of war there should be a different pension provision to cover them than we have to cover the men in the peace-time forces. Then I suggest that the wording of subsection 2 is really drastic. For example, in the last line we find

these words: "directly connected with such military service". Last summer the British, whose pension provisions contained the term "directly attributable", struck out the word "directly". We still have it in our section; and the very fact that the pension commission is giving a wide interpretation to subsection 2, as the minister stated this afternoon, shows that it is not wide enough, and that this is realized even by the pension commission in administering it. I think he said that their approach was that if service were a factor in connection with the disability, then they would grant the application. Another reason for changing the pension provision for the men in the forces in Canada is that the men who served in the last war were covered by the insurance principle, even though they served only in England or in Canada, and the men in this war should be given the same consideration that we received in the last war. Then the minister said that the change was made effective as of May 21, 1940, because of certain abuses which arose under the act prior to that time. He did not give us the details of those abuses, and perhaps it would be of interest to the committee to know what they were, so that we could help make provision against them. I believe the act could be changed in such a way that justice would be done and at the same time abuses would be prevented.

This afternoon the minister said that subsection 3 of section 11 was really a compromise, but I suggest that was hardly the case. At page 3197 of *Hansard* for May 27, 1941, I find these questions and answers, after I had been pressing the minister in regard to this very section:

Mr. Hanson (York-Sunbury): This is a compromise, because the minister is not willing to go the whole length in principle, as advocated.

Mr. Mackenzie (Vancouver Centre): That is correct.

Mr. Hanson (York-Sunbury): There is the truth.

Mr. Mackenzie (Vancouver Centre): Yes; that is correct.

Mr. Hanson (York-Sunbury): If he will not change his mind, I shall not take the time of the committee to urge him to do so.

So that I think it may be said that in 1941 the fact was that the government did not feel it could go so far as to put in any wider provision.

This afternoon I mentioned the question of treatment. As I understand it, a man who has not proved entitlement to pension can get treatment for a maximum of one year only. The minister will correct me if I am wrong in that. My understanding is that if a man is entitled to pension he can get treatment as long as he lives, but that if he is not entitled to pension treatment is limited to a maximum of one year; if he served for less than a year, he gets treatment only for the same length of time as he served.

Mr. MACKENZIE (Vancouver Centre): Treatment to finality.

Mr. GREEN: That has been changed, has it? Is that the provision now?

Mr. MACKENZIE (Vancouver Centre): The limitation is imposed only in connection with allowances.

Mr. GREEN: But suppose a man incurs his disability on service but it is held by the pension commission that the disability is not attributable to service. I have a case of that kind before me. The ruling was: "incurred during service but not pensionable, as it did not arise out of nor was it directly connected with military service." That man has been discharged for more than a year, and he requires medicine costing $5 a month.

Mr. MACKENZIE (Vancouver Centre): May I ask if in that case a pension was awarded under section 11 (3)?

Mr. GREEN: No. The man has to buy medicine which costs $5 a month. He cannot get any further treatment from the hospital, although his condition is still bad, or becomes bad every so often. It was incurred during service, but not directly attributable to his service. That situation I suggest to the minister is unfair.

Another restriction or handicap carried by these men who are not able to qualify for pension is that they cannot take up land under the Veterans' Land Act. The ruling to date is that unless a man is a pensioner he cannot get the benefit of that act. So that the man who cannot qualify for pension, although his disability may have arisen while he was in the service, loses out in these different ways. Those are other reasons why changes should be made in the act.

I was very much impressed by the stand taken by the president of the Canadian Legion with regard to the question of the insurance principle. I refer, of course, to Mr. Alex. Walker, who, I think, has been a splendid president of the legion, and has rendered great service to the returned men of Canada. I hold in my hand a copy of the *Legionary*, the official publication of the Canadian Legion. This is the issue for December, 1942, and contains a statement by Mr. Walker from which I propose to read. It is headed, "Repudiated Pledge," and states:

At the outbreak of the present war the government pledged itself to apply all the benefits of the existing Pension Act, including the insurance principle to those enlisted for active

service. A special order in council was passed under the War Measures Act giving effect to this pledge. However on May 21, 1940, the government changed their policy, repudiated their pledge I say, and definitely excluded all those whose service was in Canada only from the benefits of the insurance principle in a new order in council. The Canadian Legion immediately registered strong objections, and the government announced that a special committee of the House of Commons would be appointed later to go into the matter.

Mr. Walker goes on to explain about the sittings of the special committee in 1941, about the representations made to the committee by the legion, and finally about some relief being granted by section 11 (3). Then he says this:

> Two and one-half years of experience has shown the many grave injustices done to men who have contracted diseases which it is impossible to demonstrate "arose out of, and were directly connected with military service." Yet many of these men have served along our coasts, exposed to all kinds of weather, and there must always be grave doubt as to the effect of such service.

Is the government willing to take any steps to review this whole question of the insurance principle, as it applies to the men who have served only in Canada? Will the minister give any hope that this question will be considered again?

Mr. MACKENZIE (Vancouver Centre): My hon. friend has asked a question regarding government policy, which I cannot answer. But I can assure him that the insurance principle, and every other question connected with the Pension Act are being reviewed from week to week and from month to month, constantly. No doubt this question will be reviewed again, as it has been in the past.

Mr. GREEN: There are one or two other questions which I asked the minister yesterday, but which he did not answer to-day. One had to do with soldiers being discharged from the army to the Department of Pensions and National Health. I asked yesterday why it was not possible for a soldier to be treated as a soldier right through until he is discharged to civil life, or until his medical rehabilitation has been completed, rather than be considered first as a charge of the army, and then, when he becomes ill or disabled, a charge of the Department of Pensions and National Health. I believe that in some cases that change means that the soldier receives less pay, or that his dependents receive less. Why is it not possible to have him treated as a soldier, receiving the pay and allowances of a soldier, until he is discharged to civilian life? The minister did not deal with that matter.

He also said nothing about the complaint made against making changes in the Pension Act by order in council, rather than by amendments to the act. I refer to changes announced just two or three days ago.

Then, he sad nothing about the veterans' guard. He will remember I pointed out yesterday that these men are now reaching the ages of fifty-five or sixty years. Those who are discharged as fit will have great difficulty in securing jobs. My suggestion was that some provision should be made for a service pension. They have served this country in two wars, and some of them will have served for periods of eight, or nine, or even ten years. It would be unfair to force them to take a war veterans allowance, and certainly it would be most unfair to force them to go back on relief. They constitute a group which will have to be given special consideration. I should like to have answers from the minister.

Mr. MACKENZIE (Vancouver Centre): I shall be glad to answer, indeed. In the first place, this afternoon the hon. member raised a point in connection with service rendered wholly in Canada. I would point out that in deciding when disability resulting from disease arose out of or was directly connected with such military service, the commission takes into account any or all of the following factors:

Nature of service; the history of origin of the disease as revealed by the available evidence; the record of examination on enlistment; the nature of the disease; the age of the individual; corroboration of statements.

Each case, in the final analysis, is considered on its merits, but recognition is given to the fact that conditions of service are more exacting than in civil life, and the individual is to a greater degree than in normal pursuits exposed to inclement weather, unusual mental and physical strain, and exposure to persons suffering from infectious diseases or carriers of infectious organisms. These are the considerations.

Mr. GREEN: Is that under subsection 2 of section 11?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. GREEN: Of course the act still remains the same.

Mr. MACKENZIE (Vancouver Centre): Yes; but the administration has been more or less altered along the lines I have indicated.

Mr. GREEN: If the administration has been eased up, then surely the act should be eased up.

Mr. MACKENZIE (Vancouver Centre): I was just answering my hon. friend's question. That is the first answer, and it goes a long way to meet the objection raised.

Then, as to hospital allowances, I will deal with the type of cases as they normally occur on discharge from the forces:

(1) If, in the opinion of medical officers of the Department of National Defence, he is, by reason of physical fitness, unlikely to be able to serve again, he is discharged.

Mr. GREEN: From the army?

Mr. MACKENZIE (Vancouver Centre): Yes. To continue:

(2) If he requires treatment at that time, it is continued by the Department of Pensions and National Health. During such treatment he and his dependents receive exactly the same pay and allowances as paid during service except in the case of officers holding the rank above that of sublieutenant (navy), lieutenant (military), or flying officer (air) who are paid at a rate not in excess of that applicable to a sublieutenant, lieutenant or flying officer.

Mr. GREEN: In other words, their pay and allowances are cut down?

Mr. MACKENZIE (Vancouver Centre): Yes; that is right. These allowances may be continued for a period of one year or for a period equal to the length of service, whichever is the less, provided always that treatment is required for that period. The allowances are payable not only while the man is in hospital but while on out-patient treatment or while convalescing and unable to work.

(3) If further treatment is required and the disability is deemed by the pension commission to be pensionable, hospital allowances are thereafter paid at rates based on the 100 per cent pension rate for the rank held by the patient while in the forces, less $30 a month. That was established some years ago.

Mr. GREEN: Suppose a disability is not pensionable; what happens at the end of the year?

Mr. MACKENZIE (Vancouver Centre): I will come to that.

(4) If at any time within a year following discharge from the forces, a man requires treatment for any condition whatsoever, other than a pensioned one—

Mr. GREEN: That is during the year?

Mr. MACKENZIE (Vancouver Centre): —he may be given such treatment and, in addition, is paid allowances on behalf of himself and dependents equal to out-of-work benefits and training allowances payable under the reestablishment order.

Mr. GREEN: In other words, he does not get his army pay?

Mr. MACKENZIE (Vancouver Centre): No; but he goes out and comes back.

These benefits are $44.20 a month for a single man, and $62.40 for a married man, with additional allowances for children at the same rates as were paid during service, namely, $12 for each of the first and second children, $10 for the third, and $8 for the fourth, fifth and sixth. These allowances may also be paid while undergoing treatment up to a maximum of twelve months or during a period equal to the length of services with the forces, whichever is the less. No payments made while undergoing such treatment affect any benefits to which he may otherwise be entitled under the reestablishment order. No deductions are made from these rates if the man has dependents; but if he is a single man and has no obligations whatsoever, the department may decrease the $44.20 by such an amount as seems right, but not by more than $30.

Mr. GREEN: In other words, he would get only $14.

Mr. MACKENZIE (Vancouver Centre): Yes; but he is being kept. Irrespective of the total amount to which a man would be entitled while in hospital, normally only $10 is actually paid to him each month. This amount is considered sufficient to meet the normal needs of a sick man occupying a bed in hospital. It conforms with the practice of the services and is deemed to be in the best interests of the patient from the point of view of the most beneficial treatment. However, additional sums can be paid at any time the officer in charge of the case deems that a further amount is required for any justifiable purpose. Any balance so withheld during hospital treatment is available on discharge when, in most cases, it is more needed than while in hospital.

There is another type of hospital care which has been available to pensioned veterans since 1924, namely, domiciliary care. It is intended to provide a home for aged and unemployable veterans who are unable to make other provision for their care and do not necessarily require treatment as such for pensionable disabilities. Admission to an institution for such care is not dependent upon their ability to contribute to the cost; but if they have any pension or other income the department may enter into an agreement with them whereby there is paid to the department an amount

not exceeding $30 a month, out of which the man is provided with comforts and clothing, any remaining balance of the $30 being credited to the cost of care.

It is this type of institutional care that the veteran who was awarded the Victoria Cross during the great war, and to whom the hon. member for Temiscouata referred, is receiving. I may say for the information of the committee that this veteran, who is a widower and who has a daughter being cared for by relatives, has been awarded a disability pension of $45 a month, which includes an additional pension of $7.50 for his daughter.

Under an arrangement entered into with him at the time of his admission to hospital, $20 a month of the pension is paid to a relative for the care of the daughter. Twenty-five dollars a month is placed in a trust fund of the department from which comforts and clothing are supplied the patient. The annual award of £10 for the Victoria Cross decoration, which is paid by the British ministry of pensions, is received direct by the veteran to expend as he sees fit. He is not required to pay any portion of this amount to the department, as has been intimated to the committee. This is a correction of the statement which was made last night.

Mr. GREEN: Does the minister not think it would be a sounder and fairer practice to pay a man pay and allowances until he is discharged to civilian life? At a conference of the national council of veteran associations in Canada, held early last December in Toronto, which included representatives from the Sir Arthur Pearson Association of War Blinded, the Canadian Pensioners' Association, Canadian Corps Association and the Army and Navy Veterans in Canada, the following resolution dealing with treatment regulations was passed:

> That in no case should the pay and allowance of a former member of the forces of this war in hospital be less than that of his rank during service for the whole of his period of initial and continuous treatment.

I suggest that that practice should have been carried out from the start instead of getting away to these different provisions and classifications.

Mr. MACKENZIE (Vancouver Centre): That was done for an obvious reason. The practice in the last war was entirely different. At that time we had a military hospitals commission and what my hon. friend now suggests should be done was done. A member of the forces undergoing treatment was on the strength of the defence forces, the militia forces or the armed forces until discharge. When the war was concluded we had many problems to face. We found that in the interregnum certain abuses had occurred which, as my hon. friend will recall, resulted in the amendments of 1936. It was found that certain senior officers were receiving extravagant allowances. This fact came to the notice of the house and the amendments were passed with great acclaim in 1936.

I frankly confess that I see quite a lot of merit in the suggestion which my hon. friend has quoted as having been passed by this organization and which he supports himself. My reaction is that for a reasonable time after discharge until the soldier or the officer—

Mr. GREEN: From the army or from the hospital?

Mr. MACKENZIE (Vancouver Centre): I am thinking now of his return to civil life from the hospital. For a reasonable time he should be entitled to draw pay and allowances after military discharge while undergoing treatment and until he is reestablished. He should receive his pay as lieutenant, major or whatever rank he holds until we have effected complete establishment at home. But that practice should not be perpetuated once a man has been reestablished. I think we must then come back to a basis such as we have now.

Mr. GREEN: The pay and allowances in some cases would be less than a private would get in the army.

Mr. MACKENZIE (Vancouver Centre): I do not think they are; they all come under the ceiling of lieutenant's pay. I frankly confess that there is a strong argument for the recommendation made by this organization. As a matter of fact we now have a committee in the department reviewing every single feature of treatment. This is under the chairmanship of Brigadier General Ross, with Doctor Bain, director of medical services, and Walter Woods, associate deputy minister. There are no finer three men in the whole service. This committee is giving careful consideration to every possible phase of treatment and I will do my best to carry out whatever recommendations they may make as to any inequalities they may discover.

Mr. JOHNSTON (Bow River): I should like to say a few words about the section in the Pension Act which provides that a man's disability or deterioration in health must be attributable to service before he is entitled to a pension. I have a case in mind which I took up with the minister. He did make an educational grant to this particular fellow which has helped him out considerably, but

he was refused a pension on the ground that his physical condition was not attributable to service.

When I was home this young fellow came to see me with his father and they outlined the whole case to me. It appears that when the boy joined up he referred to his disability which had occurred in early childhood. This was noted on his record, but that condition had not affected him for something like fifteen or sixteen years; to all appearances he had entirely outgrown it when he passed the medical board on joining the army. He was placed in category A-1, and when the attention of the medical authorities was drawn to the fact that he had suffered this disability in his early years they were particularly cautious. As I understand it, they reexamined him to see if he was really physically fit.

The doctors on the examining board have an opportunity to examine a man thoroughly before he joins the army. They have the advantage of the latest and best equipment. They are practical, experienced doctors and they can make a thorough diagnosis. After this boy had joined up for active service and had passed A-1, he was turned out of the army physically unfit after a period of eight, ten or twelve months, I just forget the exact time. I believe that he was placed in category E, because in between that time he had been in the hospital for a long period.

Mr. MACKENZIE (Vancouver Centre): What is the nature of his disability?

Mr. JOHNSTON (Bow River): I am sorry I have not the file with me, but I know that in general the facts I am stating are correct. First of all, this boy wrote to me that he wanted a pension and the educational grant. I suggested that probably it would be better to get the educational grant first and later take up the question of a pension. I took up the question of an educational grant for him with the minister, through whose kindness we got that through, but there was quite a bit of red tape about it. The father sent me a letter expressing his appreciation and he asked me to convey his thanks to the minister, which I did, as the minister probably recalls. The point is that this boy when he tried to get a pension was refused on the ground that his condition was not attributable to service, despite the fact that when he joined up he had a thorough medical examination and the medical diagnosis showed that he was A-1. I do not see what better authority we could have than the expert opinion of the doctors who examined him. The condition did not recur until after he joined the army, a matter of ten or twelve or thirteen years. I am not a medical doctor, but common sense tells one that the sickness which followed after he joined up must have been entirely due to the conditions under which he was living, perhaps the strenuous training, while on active service. There is no doubt in my mind that it was his military service which caused his sickness, and it does not seem fair to me that the obligation of the government should be evaded in a case of that kind. Once the doctors pass a man as A-1, if anything happens to him afterwards it should be considered attributable to service and it should not debar him from receiving a pension. I think the minister would do well to reconsider that class of cases, which has been mentioned by others. It does seem to me to be most unfair.

Mr. MACKENZIE (Vancouver Centre): Does my hon. friend remember whether it was a case of neurosis or a straight physical disability?

Mr. JOHNSTON (Bow River): I should not like to say because I have not the file before me.

Mr. MACKENZIE (Vancouver Centre): My hon. friend, the member for Vancouver South, asked a question about the veterans' guard which I forgot to answer. I quite agree with the submission he made. These men are entitled to every consideration that we can give them. They are now getting close to sixty years and have served through two wars; some of them have undergone considerable hardship and they are certainly entitled to every consideration. We have a special subcommittee of the general committee on demobilization giving attention to their case. What will be worked out I cannot say. But we have not forgotten the suggestion which my hon. friend made when he was speaking this afternoon.

Mr. GREEN: My other question was about changes in the Pension Act being made by order in council.

Mr. MACKENZIE (Vancouver Centre): We are doing what was done in the last great war to meet emergent conditions which arise from time to time. The hon. member for Winnipeg North Centre mentioned that it might endanger some of the benefits, but I can assure him that that will not be done. In the great war all this was done by order in conucil. It is most difficult to visualize the numerous changes that may have to take place in the pension system and in the war veterans' allowance before the war is over. The ideal way would be to pass a consolidated Pension Act and a consolidated War Veterans' Allowance Act, bringing all the amendments up to date and possibly incorporating others that have not yet received the

endorsation of this house. But orders in council are passed to meet emergent conditions. Otherwise we should have to amend the act three or four times a year.

Mr. GREEN: These changes made by order in council affect the men of the last war, not of this war.

Mr. MACKENZIE (Vancouver Centre): My hon. friend is not opposed to them, I am sure.

Mr. GREEN: No; but they should be put through in the form of amendments to the Pension Act; they have nothing to do with the men of this war.

Mr. MACKENZIE (Vancouver Centre): One of the first duties of parliament after hostilities cease will be to consolidate the Pension Act and various other pieces of soldier legislation, the Veterans' Allowance Act, the Veterans' Land Act and such others as will need consolidation.

Mr. GREEN: I did not get an answer to my question with regard to disability incurred during service but not pensionable. What treatment can a man who is in that position get?

Mr. MACKENZIE (Vancouver Centre): Under section 11 (3)?

Mr. GREEN: No. A man incurs a disability during service, and it is held not pensionable because it did not arise directly out of his service. What treatment can that man get in hospital, and for how long, and what allowance can he get?

Mr. MACKENZIE (Vancouver Centre): After the first year of civil life he is entitled to treatment only if he is awarded a pension, unless he saw service in a theatre of actual war.

Mr. GREEN: Otherwise he gets nothing?

Mr. MACKENZIE (Vancouver Centre): That is it.

Mr. CASTLEDEN: As one listens to the minister one would imagine that all is well. Perhaps the cases that came to my attention are the unfortunate ones. I drew to the attention of the minister a particular case where a man was not being treated properly and the minister promptly rectified the trouble. It appears to me that these cases should not occur in the first place. I brought to the minister's attention recently the case of a sergeant who had enlisted for active service and after two years' service in Canada was injured in training. He took sick last September. That was the first illness he had had. He was discharged in December. His sickness was diagnosed as diverticulitis. Since his discharge the man has had to go back to hospital, and the hospital authorities say that there is absolutely nothing they can do for him. All he has to do is to diet. He has to go home now and diet himself there. He has a wife and child whom he cannot support because of his disability. What I do not like about the case is this. When this man appeared in Saskatoon the members of the pension board informed him that he could receive no pension because he had not been overseas. It seems to me that the members of the board should be instructed to inform the men correctly as to what their position is, and that under certain conditions of service in Canada the man is pensionable.

Mr. MACKENZIE (Vancouver Centre): Will my hon. friend send me the man's number?

Mr. CASTLEDEN: His number is L.84656.

Mr. MACKENZIE (Vancouver (Centre): Was it a congenital condition?

Mr. CASTLEDEN: Not to my knowledge.

Mr. FRASER (Peterborough West): The hon. member for Bow River made a remark which suggests a condition that I think should not exist. He said that through the kindness of the minister a man was able to get an educational grant. I have found on many occasions that if it had not been for the kindness of members of parliament on both sides of the house many men in the armed forces would not have been able to get their war veterans' allowance.

An hon. MEMBER: Why?

Mr. FRASER (Peterborough West): That is just it. Why? I know of many men who have written to myself or to other members about their cases. They could get no action upon them until some member of parliament intervened and took the case up for them. I want to say that the pension department has been extremely kind to me and has helped me out in all the cases I have brought to its attention. I am very much obliged, but I think the department should have some procedure whereby these men, when they need it, will get some action without the intervention of members of parliament.

Mr. MACKENZIE (Vancouver Centre): I think the real explanation is that these cases come to the attention of hon. members, or possibly to my attention through the good will of hon. members, before they are ever referred to the pension board or other branches

of the government. The member of parliament is in the district; he knows the local conditions; he knows of cases of hardship; and I find frequently that when cases coming from hon. members of all parties are immediately referred to the departmental officials, sometimes, if not invariably, they have never come to the attention of the officials before.

Mr. FRASER (Peterborough West): The minister is perhaps right to some extent, but these people do get much quicker action if they apply through a member of parliament than if they write direct themselves. I appreciate direct and prompt action, because it helps not only myself but other hon. members to have the cases cleaned up. We have a great number of them.

The minister mentioned a home for the veterans where they get up to $30 a month.

Mr. MACKENZIE (Vancouver Centre): Domiciliary care, sometimes called veterans' care.

Mr. FRASER (Peterborough West): In one case which came to my attention a veteran wanted to go there. He was receiving a war veterans' allowance at that time of, I think, $25, and they wanted to take the full $25. He objected strongly, and he did not go, because he felt that he should have some money left over with which to buy little luxuries that he wanted, such as cigarettes or other extras.

Mr. MACKENZIE (Vancouver Centre): May I interrupt my hon. friend, just to be cooperative? Was that not a case of somebody drawing a pension? It was not a veterans' allowance, because he must have been a pensioner to qualify for domiciliary care.

Mr. FRASER (Peterborough West): I think that is so, but the pension was very small, only $25, and they wanted to take it all. He said, "No; let me stay out in the open. If I am with friends I will then have some cigarette money." It does not seem to me that a man should be deprived of the whole $25 or $30 pension; he should be allowed out of that, say $10 a month.

Mr. MACKENZIE (Vancouver Centre): He gets a certain amount. It is fairly small, but about $10 a month.

Mr. FRASER (Peterborough West): Is it $10?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. FRASER (Peterborough West): That is quite a recent provision, is it not?

[Mr. Ian Mackenzie.]

Mr. MACKENZIE (Vancouver Centre): No; it is for comforts and clothing. It has been in effect for some time, I think.

Mr. FRASER (Peterborough West): In the case of all soldiers now on veterans' allowance, is it now raised right up to the peak automatically? It was not before.

Mr. MACKENZLE (Vancouver Centre): I think I made a statement in the house last year, when the increases were announced, that they would be automatic and would not require any intervention by the applicant.

Mr. FRASER (Peterborough West): Mention has been made of demobilization. Some months ago I heard the high commissioner for South Africa speak in Toronto. He said that no one in South Africa is demobilized until a job is secured for him. I thought that was an idea which Canada should adopt, because if we did, we would not have any unemployed men—or women—from the armed forces. That is a circumstance to take into consideration. The high commissioner also said that no wounded man is demobilized until a job is secured for him, and that casualties are centralized in camps at full pay. That is different from what it is here.

Mr. MACKENZIE (Vancouver Centre): No. I believe our ideas, which have not yet been finalized, are moving along the same lines.

Mr. FRASER (Peterborough West): They will come to that?

Mr. MACKENZIE (Vancouver Centre): In that connection, may I place a short extract upon the record? It is proposed that the Department of Pensions and National Health should establish rehabilitation facilities at each demobilization centre, and that all personnel should be interviewed by competent interviewers as a primary screening, and thence referred to one or other of the following sections, which will be operated by trained counsellors of the department: (a) vocational training section; (b) interrupted education section; (c) information officer of the Veterans' Land Act administration; (d) civil service commission representative for persons interested in dominion government employment; (e) representative of the unemployment insurance commission, with regard to employment; (f) representatives of the pensions and treatment branches of the Department of Pensions and National Health; (g) special consultants in cases presenting problems which deviate from the normal; (h) special counsellor for female members of the forces, and (i) special counsellor for disabled men. For this purpose it is deemed essential

that personnel and educational officers in the three branches of the service, plus the necessary clerical staff to be drawn from the services, should be given preference in employment in the rehabilitation branch of the Department of Pensions and National Health and the administration of the Veterans' Land Act. It is considered that after primary screening and secondary consultation as has just been outlined, persons to be discharged will resolve themselves broadly into the following groups: (1) those who have a job to go to, or those who are engaged in a business or profession on their own account; (2) those who are accepted for vocational training under existing provisions; (3) those who are accepted for resumption of interrupted education at university level; (4) those who desire to be released with a view to returning to their own farms, and those who desire to make application for settlement on the land and are able to make provision for themselves until their eligibility is determined. It is thought that these four groups should be released as soon as arrangements can be made for the carrying on of the new business, training, or settlement on the land, or, if they are able to make provision for themselves pending the completion of such arrangements, it is thought that they might be discharged even earlier.

This leaves two major groups: those who are fully competent and skilled and require no training; and unskilled persons lacking the basic education to assimilate a training course. These latter groups should be referred to the employment office of the unemployment insurance commission, with a view to placement in employment.

It is a corollary of the programme which I have just described that those who are not immediately able to enter upon, for instance, vocational training, or for whom employment is not immediately available, should not be discharged from the forces until the arrangements contemplated for them have been completed.

The procedures that have been described will apply both to new recruits and personnel with short service in Canada, as well as to personnel returned from overseas.

The foregoing procedure covers those who can be absorbed by former employment, training, and farming, on their own resources.

With respect to those who cannot be so absorbed, it will be the responsibility of the government of the day, in cooperation with private industry through the facilities of the proposed department of reconstruction, to develop additional avenues of employment.

To the extent that such additional employment opportunity is not available, the device of retarded demobilization may be the necessary solution.

These are just some of the suggestions that have come before the committees who have been giving anxious thought and care to this problem.

The problem of demobilization really falls into three parts: First, the problem of repatriation, which is the task of the defence forces, that is getting the men home after hostilities are over. This may occupy a considerable time. Second, the problem of demobilization, which will be a joint problem between the defence services who are in charge of the men until they are handed over to the Department of Pensions and National Health for active rehabilitation in after life. Third, the problem of rehabilitation itself, which will be the primary concern of the Department of Veterans' Affairs.

Mr. FRASER (Peterborough West): Are these suggestions put forward as those which will be the policy of the government, or are they suggestions?

Mr. MACKENZIE (Vancouver Centre): They are suggestions. They are not finalized yet, but these are suggestions made by certain committees which for the last year and a half have been giving very careful attention to this matter.

Mr. FRASER (Peterborough West): Further with regard to this talk which I heard from the High Commissioner of South Africa. He said that in South Africa, when a job was secured for a man or woman demobilized from the forces, he or she must be kept on the payroll for at least six months. That is a good suggestion, because there is the chance during the six months for that man to "find his feet". Over there they are using prisoners of war to prepare the farms which will be available under this land settlement act for soldiers.

Mr. MACKENZIE (Vancouver Centre): Veterans Land Act.

Mr. FRASER (Peterborough West): Yes.

If the returned men went on some of the farms that I have seen, which are being taken over by the government for these men, they would find it very difficult for some time to make a living on them because in many cases the buildings need repairs, and there is a suggestion that if we had someone to put these farms into shape the soldier or airman or the man from the navy would have a better break. I do not know whether it was from the minister's department, but over the radio

some months ago I heard the closing part of a speech with reference to amputation cases which struck me rather forcibly. The speech in question ended something like this: Ordinary people are looking for an extraordinary place in life, whereas the amputation cases are extraordinary people who are looking only for an ordinary place in life. I thought how true that was, because these fellows simply want to be reestablished.

What is being done with regard to the staff houses that are not being used any longer by Wartime Housing? Is the department going to take them over for hospitals? We have a wonderful institution of this kind in Peterborough and I should like to see it turned into a hospital.

Mr. MACKENZIE (Vancouver Centre): My recollection is that when some of these were being given up I got into touch with the officials of the department to make a survey of all the facilities in connection with staff houses and air training centres to see if they could be used for any of the essential purposes of the department, but I am sorry to say that the results were not very encouraging. The Department of Labour is making a survey of such places with a view to having them utilized for vocational training purposes when this scheme is going fully on the return of the men. How far we have gone with that survey I do not know, but as regards the medical treatment end of it the report was not very encouraging.

Mr. FRASER (Peterborough West): Would these places not be all right for convalescent cases?

Mr. MACKENZIE (Vancouver Centre): Convalescent homes as such we have not under the department and have never had. The only feature of the work of the department by way of treatment that approaches convalescent homes is the domiciliary care which I mentioned; that is to say, the care of veterans. We have one in Toronto and one in Vancouver, and from 100 to 200 men are happy in their later years in these places. We may have to extend them, but we do not call them convalescent homes. The new policy of the department in connection with such conditions is rather to help and there are five centres under contemplation—possibly more. We are starting with one, and I hope that before the session is over all hon. members will take occasion to examine thoroughly the one at Rideau Centre in the vicinity of Ottawa. The idea is to foster the desire on the part of the men for work once again after their war experiences by which they have been shaken. In addition to that, there will be definite need of a psychiatric centre and the extension of small convalescent homes, though I do not like that name; I prefer to call them veterans' care homes. We are now in touch with those who have been doing excellent work for the air force and the army. They have convalescent homes throughout the country, raised by private subscription through the good will of public-spirited citizens, and we may be able to obtain some of these later on.

Mr. FRASER (Peterborough West): Is the one in Ottawa now under construction?

Mr. MACKENZIE (Vancouver Centre): It is known as Rideau Centre.

Mr. ADAMSON: Is the guild of all arts in Toronto under the minister's direction?

Mr. MACKENZIE (Vancouver Centre): Yes; that is a special psychiatric centre after the pattern of Mill Hill in England, which has had a tremendous success.

Mr. ADAMSON: It is under the minister's department?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. GILLIS: We are trying to stick as close as possible to the estimates.

Mr. MACKENZIE (Vancouver Centre): I am afraid not.

Mr. GILLIS: Well, the members of this group are. We are trying to deal with principles rather than details. The minister will remember that a year ago when he last had his estimates before the committee I suggested to him that, because of the nature of the war, we would require a considerable expansion in our neurological hospitals across the country. The minister agreed at that time and intimated that they had this in mind. Now, a year later, he says that the establishing of psychiatric centres throughout Canada is still a matter of consideration, with a start being made, I understand, in one or two places.

I wish to direct to his attention a matter we discussed last year, and to demonstrate the necessity of the principle I will state a case for him. It is a case I discussed last year in the house. A boy received a fractured skull while thrown from a jeep. For the past year he has been going through the process of proving his claim and he did succeed in entering Camp Hill hospital. He had had a partial stroke. The decision at the hospital was that he was suffering from psychosis, and because of the fact that he had not been examined by a pensions medical examiner and

assessed for pension he was shifted to an insane asylum. That man, in my opinion, and I believe in any one else's opinion, is in no condition to be placed, and should not under any circumstances be placed, in a regular insane asylum for treatment. To the best of my knowledge, there are in that institution no facilities and perhaps not the skilled personnel necessary to treat a case of that kind. I suggest that he should have been removed to Montreal to one of the neurological hospitals there.

I bring this to the minister's attention because it definitely proves that in most sections of Canada there is not the kind of institutional care necessary for such cases. The letter I have received in connection with this case is dated May 16. It comes from the pensions medical examiner in Camp Hill hospital. He states that this man is suffering from psychosis, having been admitted on April 25, 1944, and transferred to the Nova Scotia Mental hospital at Dartmouth on April 27, 1944, and at the present time he is undergoing treatment there under the new clause 2, which is the old clause 20. I believe that disability is admitted as attributable to service. While in the institution he gets pay but he is not assessed for pension. My objection is to placing a boy with that sort of disability in such an institution.

There is another matter I wish to discuss and I shall be brief. In the matter of pensions for women serving in the auxiliary services, I suggest that they should be treated exactly as the service personnel in the men's section of the services. The same rates should apply. In the present regulation the differential that exists in the schedules or wage rates or whatever you want to call them has been carried forward into the pension schedules. Many of these girls are overseas and many of them are likely to suffer the same disabilities as the men. If on returning from overseas they have disabilities of ten per cent, fifteen per cent or twenty-five per cent, the rates which apply in the case of regular service personnel should certainly apply to them also. I think everyone in the house has admitted that in connection with the wage schedules generally there are good arguments why the women should be treated the same as the men. I merely leave that thought with the minister.

Mr. MACKENZIE (Vancouver Centre): We did raise them quite recently from two-thirds to four-fifths.

Mr. GILLIS: Yes; but I think they should receive 100 per cent, at least in this matter of pensions.

Mr. FAIR: We have made provision for the rehabilitation of certain groups coming back from overseas, but I have in mind one group in particular for whom no provision is made; I refer to business and professional men whose careers have been interrupted by the war. Has any consideration been given to granting capital loans in such cases? Take, for instance, a young lawyer who worked hard to get through college and who was in practice for perhaps only a year or two before entering the service. When he comes back he will have a very hard time to get going unless some provision is made for his rehabilitation. The same is true with respect to men in other lines of business, and I wondered if any consideration has been given along the line I have suggested.

Mr. MACKENZIE (Vancouver Centre): Is my hon. friend referring to capital loans for the purpose of establishing such men in business?

Mr. FAIR: Yes. I mention it because certain capital loans and grants are being made to men settling under the veterans' land act, and I wondered if something similar was being considered for men in business.

Mr. MACKENZIE (Vancouver Centre): That is also receiving consideration by a special committee of the demobilization committee.

Mr. CARDIFF: Is a soldier granted a pension according to the application or presentation submitted by him, or is the pension decided on the evidence available in the case? Does it make any difference how the application is presented by the applicant; will the decision be the same in any event? I ask this question because there is a great difference in the ability of men to present a case, and I do not consider that a fair way of arriving at a decision. I believe that a case should be decided on its merits rather than on the ability of the applicant to present it. I have in mind the case of a man in my riding who served all through the last war. When the present war broke out he enlisted again and served for three years in England. He was knocked down by a motorcycle in a blackout one night, and injured to the extent that it was necessary to discharge him. If his pension is decided on his ability to present his case, I do not think he would get along very well.

Mr. MACKENZIE (Vancouver Centre): Perhaps I should outline the procedure that is adopted. It is as follows:

(1) When an application is first made for pension the commission reviews all relevant records including such documentary evidence as

may be submitted and makes such inquiry through its medical and other officers as appears advisable into the facts upon which the application is based, and if satisfied that the applicant is entitled to pension it makes such award and takes the necessary steps to cause the payment of pension to be made.

(2) When the application is not granted the applicant is notified in writing of the decision with the grounds therefor, and advised that unless he makes an application for second hearing within ninety days the case will be closed.

(3) If a second hearing is requested, the commission informs the applicant in writing:

(a) That if he so desires he may have the assistance of the veterans' bureau free of charge, or a service bureau of a veterans' organization, or by some other person at his own expense in the preparation and presentation of his application;

(b) That a summary of all available evidence will be mailed to him by the veterans' bureau; and

(c) That his complete claim must be submitted within a period of six months of the date of mailing of the summary of evidence.

(4) The commission also notifies the veterans' bureau that an application for second hearing has been accepted, and the veterans' bureau thereupon prepares a summary of all available evidence and mails a copy to the applicant.

(5) When the applicant notifies the commission within a period of six months that he is satisfied to submit his claim, the commission makes its ruling on second hearing.

(6) If the ruling on second hearing is not favourable to the applicant the commission notifies the applicant accordingly in writing, stating the grounds therefor, and informs him that if he so desires he may appear before an appeal board of the commission, provided that he so requests within ninety days.

(7) For the purpose of hearing applications an appeal board of the commission consists of three members and holds sittings periodically throughout places in Canada. The members of such appeal boards are designated by the chairman of the commission, but shall not include any member of the commission who has previously ruled on first or second hearing of the application. At such hearings appeal board representations may be made in person and sworn verbal evidence adduced.

(8) The decision of such appeal board shall be final except that an application may be made to a special appeal board of the commission on the grounds of error, or by reason of evidence not having been produced to the commission for leave to reopen the application.

This is the result of many years of discussion by veterans' organizations, and I think it is a fairly successful procedure.

Mr. ESLING: Is there any hospital for ex-service men between Vancouver and Calgary?

Mr. MACKENZIE (Vancouver Centre): Not definitely, as such, except the contract hospitals with which we have made arrangements for their care.

Mr. ESLING: Last session I endeavoured to impress upon the minister the dire need of some accommodation, either by way of a hospital or convalescent homes, in the interior, for the reason that the distance between Vancouver and Calgary is just one thousand miles, which is a long stretch for invalids to travel. From the interior we have sent overseas fully five thousand men, more than two thousand coming from the staff of the Consolidated Mining and Smelting company alone. No more beautiful location for a veterans' home or hospital could be found than on the shores of Lake Kootenay, where there is an ideal climate and every conceivable recreation. It would seem only reasonable for the minister's advisers to give some consideration to hospital accommodation in the interior. Just to illustrate my point, in the latter part of 1939 we had a member of the 111th battery discharged from hospital in Edmonton. He came to Nelson, where he had enlisted, went into hospital for a month, and then was taken to his home some thirty miles distant. Then it became necessary for him to receive immediate hospital care, and they had to send back to Nelson for an ambulance. It cost the parents of that boy some $45 to have him taken to the nearest hospital, which would be in Denver, about thirty miles away. When he sought to recover the cost of the ambulance he was told that he should have gone to the Shaughnessy hospital in Vancouver. The minister will realize the impossibility of moving a boy in a critical condition a distance of five hundred miles, where there is hospital accommodation available within thirty miles. Does the minister countenance this sort of thing? Is it not possible to care for returned men in local hospitals when they require hospitalization?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. ESLING: And have the local medical officers authority to send these men to local hospitals?

Mr. MACKENZIE (Vancouver Centre): Yes; if they are reported immediately at the local centres they are entitled to look after them, and the men can stay at home instead of going to Shaughnessy hospital.

Mr. ESLING: May I ask the minister if he will not have his hospital advisers look into the situation in the interior of British Columbia?

Mr. MACKENZIE (Vancouver Centre): I shall be very glad to do so.

Mr. ESLING: Because it covers a vast area. They have made their contribution of men in all arms of the services, and it would be a kindly act to see that they are cared for on their return.

Mr. EDWARDS: I should like to support and endorse with all my heart what the hon. member who has just taken his seat has said. After all, we do represent the beauty spots of Canada. Healthy, well people travel thousands of miles to enjoy the invigorating air and the beauty of the scenery which alone is to be found in the valleys of the Rockies. It would seem almost trite to say that if the surrounding scenery and invigorating air contribute to the well-being, spiritual as well as physical, of the normal healthy man, it would have an even greater and more beneficial effect upon one who has sweated, toiled and laboured in the defence of us who are more fortunate and remain here at home.

I have often wondered why there are no rest homes anywhere between Calgary and Harrison Hot Springs in the Rocky mountains. And yet there are objections which I can well see might be advanced. I do know—and I shall make further reference to it on another occasion—that when veterans come home they do not want to be isolated, or placed away from their fellowmen. However, there are centres in the mountains, places such as Banff, Lake Louise and Nelson, all charming and delightful spots in themselves, and inhabited by people generous to a degree, from whom the sick or the convalescent soldier would receive that care and friendship which contribute so much to speedy recovery.

Without casting any reflection upon anyone who may be so unfortunate as to have to live in one of our metropolitan centres, I venture to say that the convalescent soldier, the sick man, will find more of the warmth of human sympathy and kindness in those smaller towns and cities, yea, in the villages, if you will, or in the wide open spaces of the prairies or the foothills or the mountain valleys, than he will find anywhere else in Canada. At Nelson, at Banff or at Lake Louise, where our transportation companies have invested millions for the well-being of people who will visit there, we as a nation might very well spend some money in building rest homes and hospitals for those who have given the best years of their lives for us.

In that connection I would refer to another matter connected with pensions and national health. May I say how much the people of Calgary appreciate the good judgment and discernment of the department in locating at Calgary what I have every reason to believe is probably the finest military hospital of its kind to be found anywhere on this continent, or probably in the world. It is a credit to Canada and to the department. In that hospital is to be found every modern convenience known to medicine and surgery for the care and treatment of our returned soldiers. It stands in striking contrast to the miserable accommodation provided for the heroes of the last war. I congratulate the minister and the department upon their sparing no pains, money or scientific knowledge in the lay-out of that hospital, and I commend them, too, for the care and attention our returned soldiers are now receiving at the hands of the department.

I have only one other suggestion to make, and it has to do with the problem of rehabilitation and the integration into civilian life of our returned men. For the last four years—and it may extend to five years—our men overseas have been trained in the arts of war and the habits of military life. To whom do they look, and to whom have they looked for the last four years for counsel and advice in regard to their physical, social, domestic and military problems? I believe it is correct to say that in ninety per cent of cases they look to their officers. They look to the officers who command them, the officers to whose commands they respond. When the war is over, the control of those officers will be gone. No longer will the men have any right to look to them; no longer will the officer have any right to command. I wonder if we are not missing something in our plans and our programmes if we do not give consideration to the retention of the services of that officer, who has been the leader of those men and that he should be the last man discharged from the armed forces. Should we not retain the services of those officers in order that they may minister to, counsel and advise the soldiers and the non-commissioned officers who have served under them? Is there not some way whereby we can retain the services of the officer for his men?

I appreciate, as I am sure most hon. members do, that seventy-five per cent, or perhaps even a higher percentage of the men who will be rehabilitated into civilian life will have little difficulty. But there will be a remaining fifteen to twenty-five per cent who in normal, ordinary peace-times were, and will continue to be, if you will, problem cases. They had difficulties. They were not able to fend for themselves; they had difficulty in finding their niche. They were the men who relied upon their more experienced fellow citizens to counsel and advise them. They are people who were in the habit of having to be told what to do. Can we not by some means retain the services of the officers in our armed forces for the benefit of those men, so that they may counsel and advise?

My next thought is connected with public health. We have heard considerable discussion respecting a serious problem, particularly in the rural areas of Canada, more particularly

those of western Canada. During the Easter recess I attended a meeting at which two doctors were present. One of them to come to this meeting—and, frankly, it was a political meeting—had driven 125 miles. The other one had driven approximately sixty miles and thought nothing of it. This one doctor serves a territory with a radius of approximately 125 miles centering on his home, and yet he has to supplement his income from his professional services by engaging in the raising of stock such as cattle and hogs, and the growing of grain. I commended his enterprise. He is a man beloved and highly regarded in his community, but what is the answer to this problem? He is staying there from a sense of duty and obligation to these people.

It seems to me that we ought to help people to get medical services. In this day and age we should not insist upon a doctor living in a rural community where he cannot make a comfortable or decent living, where he cannot take advantage of modern hospitals and equipment. Why cannot we take the doctor to the people who require his services, or bring those people to the doctor by modern methods and means? At one time, between Calgary and Banff, a distance of eighty-five miles, there were four doctors. One was located at Cochrane, one at Exshaw, another at Canmore and another at Banff. What happened? The doctor at Cochrane has ceased to practice. Why? With the advent of the automobile people who were critically ill would drive past his door to go to Calgary where they could get better hospitalization and, as they thought, more skilled attention. The same thing happened at Exshaw, and now there is no doctor at either place. The result is that Calgary is serving an area seventy-five miles to the west. Toward the northwest many people live from 125 to 200 miles from a doctor.

I suggest that there should be attached to each medical centre a modern aeroplane with a competent pilot to serve an area with a radius of at least 200 miles. The aeroplane could take the doctor to patients needing his services or, if it were urgent, bring the patient to the medical centre. From time to time we hear and read of "mercy flights" in western Canada, but we should not regard them as exceptional any longer. Why not answer the call of modern times and use some of our aircraft for this purpose? I think it is a deplorable situation that professional brains and ability should have to spend time driving across our prairies in a Ford or Chevrolet automobile when the same distance could be covered by an aeroplane in ten or fifteen minutes.

[Mr. Edwards.]

If the minister has not already given consideration to this matter I suggest that he should consider giving financial aid if necessary to the provinces in order that they may modernize and stream-line their medical services. The armed services in Italy and the air force on our sea coasts, as well as the navy, are doing this sort of thing to-day. We have an abundant supply of modern aircraft which could be adapted to that purpose and used to take the doctor to his patient or bring the patient to the doctor, and thereby save time and suffering and conserve and distribute medical skill and hospital facilities.

The CHAIRMAN: I feel that we have reached the stage when we should keep within the item. I have allowed a wide discussion, but I think hon. members will realize that they should keep within the terms of the first item of the Department of Pensions and National Health.

Mr. KNOWLES: Speaking for just a moment to a matter covered by the item, I wish to refer to what the minister said this afternoon in reply to questions I asked last night. First of all, may I say that I appreciate the spirit in which he spoke in replying to my comments concerning the shortage of medical personnel in the hospitals under the supervision of his department. I felt that when the minister spoke he made it clear that he is deeply concerned about this problem, which of course serves to underline the fact that it is a problem which should be faced.

There is one matter about which I should like to have the record clear, and then I wish to ask the minister one or two questions. The return which was tabled yesterday, sessional paper 214A, gave an answer to the questions I had asked about patient-days in the hospitals under the supervision of the department. Do those patient-days cover all patients in the hospitals, or do they refer only to Department of Pensions and National Health patients? At first I thought the figures referred to all patients, because that was what I intended by the wording of my question. But when I break down the figure with respect to Deer Lodge it shows only 266 patients per day, and I am sure that there are many more beds and many more patients than that in that hospital. Perhaps the minister can answer that question now.

Mr. MACKENZIE (Vancouver Centre): It covers all patients that the department is treating. Admissions for the last fiscal year to the departmental hospitals were 41,848, and to other hospitals, 27,544.

Mr. KNOWLES: The inference can be drawn from what the minister has said that there are other patients in these hospitals. I am sure that there must be after having studied the figures with respect to the hospitals.

Mr. MACKENZIE (Vancouver Centre): What does my hon. friend mean by "other patients"?

Mr. KNOWLES: Patients of the armed services.

Mr. MACKENZIE (Vancouver Centre): Oh, yes.

Mr. KNOWLES: In that event I think I should point out that it is hardly proper, so far as these statistics are concerned, to stress the fact that medical personnel of the armed services are in the hospitals of the Department of Pensions and National Health.

Mr. MACKENZIE (Vancouver Centre): The point I was trying to make was that we had many patients from the armed services before we got this additional assistance by the medical officers. It has always been our duty to look after serious active service cases.

Mr. KNOWLES: Along with getting the additional service of the medical personnel from the armed services, to which the minister referred and which is covered by the note at the bottom of this sessional paper, his department has also received an additional responsibility in the form of other patients not covered by the figures in this return. In other words, the responsibilities of the Department of Pensions and National Health are even greater than they were on the basis of the figures I had. I may say to the minister that another reason for my raising the matter last night was the fact that I had taken a little time to look over—

Mr. MACKENZIE (Vancouver Centre): Perhaps it will help my hon. friend to know that at the end of March we had in our hospitals 3,071 patients from the armed services and 5,397 of our own.

Mr. KNOWLES: I think that will answer the question once a person has had a chance to analyse the figures. I have looked over the extensive national health survey made by the Canadian medical procurment and assignment board, which was laid on the table of the house by the Minister of National Defence on March 13 of this year. It is a very bulky document identified as sessional paper No. 217, and in part VII of volume X I find this recommendation, which is along the line of what I had in mind last night:

Recommendation No. 13.

Inter-service hospitalization should be encouraged:

Army tables indicate the small amount of inter-service hospitalization which exists as between the navy, army and air force. It is felt that inter-service hospitalization should be encouraged wherever possible.

The next sentence covers the point I want to make because we are talking about hospitals of the Department of Pensions and National Health. It goes on:

This would relieve the burden carried by Department of Pensions and National Health hospitals and would promote interlocking of service medical facilities.

As the minister will recall, I was concerned last night about the shortage of medical personnel in the hospitals under the supervision of his department. I was also concerned about the confusion that exists in some of these hospitals, and I point out that the very fact that medical personnel are congregated in these hospitals from two or three or four different services may be a reason for some of this confusion. I also know from things that have been told me that there have been some fine examples of cooperation among the medical personnel of the armed services both among themselves and with the Department of Pensions and National Health. Yet, at the same time, the reports that have come to me seem to indicate the lack of any overall plan and seem to indicate difficulties of which the minister may be more aware than I am in bringing about a real coordination of the medical services as among the armed services and between them and the minister's department. I would appreciate it if the minister would indicate whether any progress is being made in an endeavour to carry out the kind of recommendation to which I have referred, namely, that it should be clear, for example, in the hospitals under his supervision who is in charge when you have medical personnel of all the different armed services there, and whether any progress is being made in connection with the last suggestion in the recommendation which I quoted to the effect that some effort should be made to promote interlocking of service medical facilities.

I was hoping I might find somewhere in this national health survey report a point-blank recommendation that the medical services of the various armed services be united in one service, but I confess I do not find any such point-blank recommendation. There are, however, a number of recommendations such as

the one I have read which imply that that would be a good idea, and the statements and reports that have been made to me by some who are concerned about this matter are to the effect that that kind of thing ought to be done. I believe that the minister agrees with me as to the desirability of what I am arguing for, and I would appreciate it if he would indicate whether any progress is being made in that direction.

Mr. MACKENZIE (Vancouver Centre): Yes, I can tell my hon. friend that substantial progress has been made since that report was made available. There is the closest possible liaison at the present time between the services and the department with reference to hospitalization. I believe they are giving us all the assistance they possibly can and we deeply appreciate the cooperation we have received. The medical services of the armed forces have been most cooperative in every way.

Mr. CRUICKSHANK: As an old footslogger myself I should like to ask the minister whether the disease called callosity is covered by the Pension Act in this war.

Mr. MACKENZIE (Vancouver Centre): For the first time to-day I am stumped.

Mr. CRUICKSHANK: In case the minister is not familiar with the medical term callosity is the medical description of calluses caused by sitting too long on hard chairs.

Mrs. CASSELMAN: May I ask what progress has been made in establishing a convalescent home in Edmonton?

Mr. MACKENZIE (Vancouver Centre): I do not think there is any convalescent home as such in Edmonton, but my hon. friend is aware, of course, of the two wings to the hospital. We have no convalescent homes anywhere except that we have started two for veterans' domiciliary care, accommodating from eighty to a hundred, one in Toronto and the other in Vancouver. They may have to be extended across the country, but nothing has been decided as yet.

Mrs. CASSELMAN: I understood that government house at Edmonton was being taken over.

Mr. MACKENZIE (Vancouver Centre): That is under consideration at the present time.

Item agreed to.

Detention allowances on behalf of Canadian seamen, $100,000.

Mr. MacNICOL: A night or two ago the Minister of Fisheries was before us and had an item for pensions and other benefits for seamen and fishermen. Does this item cover a similar service?

Mr. MACKENZIE (Vancouver Centre): The object of this item is to provide an allowance to Canadian seamen and their dependents who are detained in enemy or foreign country due to enemy action, as authorized by order in council P.C. 12/4209 of June 12, 1941. There was expended in 1941-42, $52,971.31; in 1942-43, $58,264.27, and in 1943-44 to March 31, $369,716.10. A large portion of the allowances is being retained to the credit of these men, and will be payable when they are released from enemy custody and returned to their own country.

Mr. MacNICOL: These men are at present detained in the harbours or ports of Germany?

Mr. MACKENZIE (Vancouver Centre): Payments are being made to their dependents.

Mr. MacNICOL: And what is done with the balance?

Mr. MACKENZIE (Vancouver Centre): It is placed in trust.

Mr. KNOWLES: If I may revert to the previous item for a moment, under what act or authority are pensions to fishermen and seamen paid as itemized in the previous vote?

Mr. MACKENZIE (Vancouver Centre): That is under a special order in council.

Mr. KNOWLES: Their position being similar to that of the seamen to whom the minister has just referred?

Mr. MACKENZIE (Vancouver Centre): Yes.

Item agreed to.

Health branch—
Civil defence, $1,038,500.

Mr. MacNICOL: We want to help the minister along, but we need some explanation. What is embraced in this item of $1,038,500 for civil defence under health?

Mr. MACKENZIE (Vancouver Centre): The amount estimated is $1,038,500. Last year the amount was $3,543,650, to provide for organization of protective services in areas in Canada deemed subject to enemy visitations by air and sea, purchase of suitable equipment, such as anti-gas clothing and masks—

Mr. GRAYDON: A.R.P.?

Mr. MACKENZIE (Vancouver Centre): Yes. The new name is "civil defence". It has been changed, with the consent of the war

cabinet and chiefs of staff, since Brigadier General Alex. Ross took over, to correspond with the name in other countries.

Mr. GRAYDON: That explains it?

Mr. MACKENZIE (Vancouver Centre): Yes.

Item agreed to.

Industrial hygiene, including inspection of industrial plants, $31,000.

Mr. MacNICOL: Each province has its own inspection department in connection with industries. What industries are inspected by dominion government inspectors under this vote?

Mr. MACKENZIE (Vancouver Centre): It is the object of this item to provide for salaries of personnel and cost of inspection of the laboratory services arising from the inspection of war contract premises under the authority of order in council P.C. 1550 of March 2, 1942.

Mr. MacNICOL: But at the same time has each province not its own inspectors? Ontario has.

Mr. MACKENZIE (Vancouver Centre): This has to do entirely with dominion government war contracts.

Mr. MacNICOL: I realize that, but the Ontario government inspectors still must go into these plants working on government war contracts. Are we to have two sets of inspectors inspecting the same plants?

Mr. MACKENZIE (Vancouver Centre): Under the order in council I cited, the definite responsibility is placed on the Minister of Pensions and National Health to see that this inspection work is carried out. It is a definite obligation.

Mr. MacNICOL: Well, the Ontario government inspectors cover the same plants in Ontario.

Mr. MACKENZIE (Vancouver Centre): I am not definite on that point, but I do not think so.

Item agreed to.

Processing, storage and distribution of blood for transfusion, $565,000.

Mr. GRAYDON: I think this is one part of the minister's estimates as to which we ought to have a short statement from him. In practically every community in Canada the practice of blood donations has taken root. There is scarcely any phase of civilian war work in which our citizens take a greater interest and concern and, may I say, a greater pride. As the minister knows, there are to-day scattered throughout Canada these facilities and these opportunities, which have been readily and willingly grasped by the civilian population in order that they may take their share in helping to fight the battles of the nation. The hon. member for Davenport mentions the sacrifice which has been made and the service which has been given as constituting a good deal of expense to those who are involved. In addition to the expense factor, I would say that the sacrifice and the service which people engaged in this work are rendering is exciting the interest of the public generally. I think the minister might take a little time to indicate the extent of the work and what is being done under this very important branch of our war effort.

Mr. MACKENZIE (Vancouver Centre): I entirely agree with the remarks of the leader of the opposition. No tribute can be too high to those who are carrying out this splendid service for the nation. The details are: first of all, processing, storage and distribution of blood for transfusion, Connaught laboratories, Toronto, 1944-45, $500,000. The approved estimate for last year was $520,000. The object, as we all know, is to provide for the purchase, installation and maintenance of laboratory equipment by the Connaught Laboratories, university of Toronto, and to meet the cost of operation and expenses involved in the processing of blood in the Connaught Laboratories. The expenditure in 1941-42 was $160,840.46; 1942-43, $174,173.94; 1943-44 to the end of March, $512,572.56. The detail of the expenditure in 1943-44 was: capital expenditure, $81,541.76; consumable supplies, $240,203.56; operation and maintenance, $190,827.24; total, $512,572.56. The details of the estimate of this year are: consumable supplies, $300,000; operation and maintenance, $200,000. Then, when we come to the processing of blood at the university of Montreal, the amount submitted is $200,000. That was increased from the first estimate to provide for payments to Montreal university to meet operation and maintenance expenses involved in the processing of blood for distribution by the dominion government services; authority order in council P.C. 128 of January 7, 1943. Expenditure to January 31, 1944, $58,203.32. Detail of expenditure: capital expenditure, $36,232.18; operating expenses, $21,971.14.

Mr. GRAYDON: Has the minister any figures as to the amount which was donated?

Mr. MACKENZIE (Vancouver Centre): I should have.

Mr. GRAYDON: It would be interesting to have that information, if the minister is able to provide it.

Mr. MACKENZIE (Vancouver Centre): Montreal university, out of the estimated capital expenditure and operating expenses for the twelve months' period, production capacity, first semester, is estimated to be 800 bottles a week; second semester, estimate, 1,500 bottles a week.

Mr. STIRLING: Does this cover the cost of collecting it from all over Canada?

Mr. MACKENZIE (Vancouver Centre): That is done by the Red Cross organization.

Mr. PERLEY: How many blood donors are there throughout Canada?

Mr. MACKENZIE (Vancouver Centre): It has already exceeded 22,000 a week.

Mr. PERLEY: I know that as far as the west is concerned the people are enthusiastic about this, and there is not any trouble at all in securing the number of volunteers to go to the hospitals for this service. When I was home at Easter time there was a man from our town, eighty-one years of age, who insisted on being a donor.

Mr. MACKENZIE (Vancouver Centre): The order in council which recites the facts was passed on May 9. In regard to the university providing for the processing, storage and distribution of blood, by order in council of April 27, 1944, the following expenditures were authorized, it being stated that the Canadian Red Cross Society anticipates a greatly increased output of processed blood during this fiscal year 1944-45 as compared with that of the previous fiscal year, and has submitted estimates based on a maximum of 25,000 a week.

Mr. MacNICOL: That is throughout Canada?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. MacNICOL: Can the minister tell us if it makes any difference from what colour of person blood is taken? Is there any difference in the blood of various races, whether white, red, black or any other shade?

Mr. KNOWLES: Or Scotch or English?

Mr. MacNICOL: The reason I ask is that I read in an article that there is not any difference, that blood of persons of different colours can be mixed, and that it does not matter what the colour of the donor is. Somebody ought to know.

Mr. MACKENZIE (Vancouver Centre): The hon. member for Medicine Hat can, I am sure, answer that question.

[Mr. Graydon.]

Mr. GERSHAW: If they conform to the same types. There are four different blood classifications or classes. There is no specific difference in the character of the blood between a dark and a white person.

Mr. GRAYDON: Is this the new parliamentary assistant?

Mr. NICHOLSON: The leader of the opposition has expressed the general sentiment that the Canadian people have fully cooperated in this service. Would the minister give us some information as to whether this vote provides for publicity work, or is publicity taken care of by the Red Cross?

Mr. MACKENZIE (Vancouver Centre): No publicity is provided for under this vote.

Mr. BLACKMORE: Is the response providing all the blood that is needed?

Mr. MACKENZIE (Vancouver Centre): Of course, we are asking for more donors all the time and the efforts of the people have been most laudable. There is always a demand for more blood, and in view of what may soon be happening, that demand will be still greater in the next few months.

Mr. GRAYDON: If the Red Cross or the government knew what the demand would be they would be in a better position to make a statement in regard to the supply.

Mr. BLACKMORE: Has the minister found the grant adequate for the needs?

Mr. MACKENZIE (Vancouver Centre): So far we have, yes. We have always been able to meet the demands made on us from time to time, but if we needed something in an emergency, we could ask for an emergency grant and we would not have any difficulty getting it for this sacred purpose.

Mr. MacNICOL: Is the work done by the officials where blood is being donated voluntary work, or are these officials paid?

Mr. MACKENZIE (Vancouver Centre): Are all volunteers, except a very few trained personnel.

Mr. MacNICOL: I am glad to hear that. I was in a small town in Ontario recently, a town that forms the centre for quite a community of townships and smaller villages round-about, and the people were coming into that town to donate blood. There seemed to be a rivalry between smaller communities adjacent to or near the town as to which one would supply the greatest number of donors. The Canadian people have demonstrated that they are most generous in contributing blood, and they have done such a wonderful work, from which such splendid results have been

obtained, that in my opinion the minister should make a public statement in the strongest terms in appreciation of the Canadian people. The work is all voluntary and a good deal of it is done at the expense of the people themselves. Many of them come from quite a distance to donate their blood.

Mr. MACKENZIE (Vancouver Centre): I thank the hon. member for his remark.

Item agreed to.

Maintenance, medical and other care of incapacitated non-resident seamen pending deportation, $50,000.

Mr. STIRLING: Would the minister describe what this is for?

Mr. MACKENZIE (Vancouver Centre): The amount this year is $50,000. Last year it was $40,000. The object is to provide for the cost of medical care and maintenance of seamen, non-residents of Canada, who have become incapacitated and who will be deported when possible under the authority of T. B. minute 20/7149 of May 9, 1941. Last year the expenditure was $33,522.01. There are at present detained in hospitals thirty-four seamen and under present conditions the number is likely to grow, since there are no means of returning them to their native countries. The cost of maintaining an ordinary patient is $1,000 per annum, and a mental patient costs around $500. Fifteen of the number are in mental institutions, and 110 have received treatment under this authority since the commencement.

Mr. BLACKMORE: How many seamen of this class are in Canada?

Mr. MACKENZIE (Vancouver Centre): There are 110 who have received treatment since the commencement, and there are thirty-four at present in hospitals.

Item agreed to.

Grant to the Canadian Nurses' Association to increase the supply of qualified nurses in Canada, $250,000.

Mr. KNOWLES: We all recognize that this work is exceedingly worth while. But could the minister indicate the ways in which the money is spent by the association? Perhaps I might take a moment to call the attention of the minister's colleague, the Minister of National Revenue (Mr. Gibson), to this item. We shall come to it again on a subsequent occasion; but, as he knows, a great many parents of nurses feel keenly over the fact that, while nurses are needed, and funds are provided to encourage young women to go in for nursing training, yet they are not allowed that exemption under the income tax regulations afforded those who have sons or daughters in educational institutions.

Mr. GIBSON: The matter has been brought to the attention of the Minister of Finance and I know he is giving it consideration at the present time.

Mr. KNOWLES: I am glad to hear that.

Mr. MACKENZIE (Vancouver Centre): The object is to provide, subject to the approval of the governor general in council, certain grants to the Canadian Nurses' Association, for the purpose of increasing the supply of nurses in Canada. The 1942-43 grants were authorized by order in council 72/6073 of July 16, 1942, and the 1943-44 grants were authorized by the war appropriation bill. The expenditures for 1942-43 were $115,000, and for 1943-44, to the end of March, $200,000.

The details of the estimates now submitted are:

Administration	$ 25,000
Recruitment of students and training student nurses	155,000
Supervisors and teachers	40,000
Department of nursing in universities, public health nursing organizations.	30,000

Mrs. NIELSEN: How many probationist nurses entered training this year, and is the number sufficient to cover the needs?

Mr. MACKENZIE (Vancouver Centre): The following figures have been obtained recently and are indicative of some of the accomplishments. In February, 1944, 11,359 student nurses enrolled in 175 approved schools as compared with 10,759 student nurses in 173 approved schools in 1943 and approximately 8,500 in 179 schools in 1939. This shows an increase in enrolment of approximately 2,850 students since 1939. The number of graduate nurses enrolled for the full year's course at universities during 1943-44 is 272 as compared with 262 in 1942-43 and 196 in 1938-39. In addition to this number, over 562 nurses have enrolled for shorter courses given at the universities and hospitals as special war-time programmes. These courses have varied in length but are in addition to the shorter refresher courses organized in many districts in various provinces. These are some of the tangible benefits resulting from the assistance received from the federal government. It is realized that the programme initiated through the grant has done much to stabilize nursing services and has strengthened morale. This information comes from the general secretary of the nurses' association.

Mrs. NIELSEN: I think the figures given are impressive, but when we consider that immediately after the war, or as soon as possible thereafter, we shall be inaugurating a

health scheme in Canada and nurses will be needed for rural areas, would this not seem to be the right time to afford opportunities for more girls leaving our high schools who desire to go in for training as nurses? They are going into the nursing profession from grade twelve in many cases and it takes a few years for them to become qualified. Their parents are not in a position to give them the assistance they need and it seems to me that we might provide them with a small supplement. There are a great number of girls who would like to take up the nursing profession but whose parents cannot afford the necessary funds.

Mr. MACKENZIE (Vancouver Centre): I may tell my hon. friend that we have definitely in mind training some of the girls now serving with the forces; I have forgotten the exact number, but it is quite considerable. They will be entitled to vocational benefits while taking courses which will qualify them for nursing work, and I am sure they will give excellent service to Canada both now and in post-war days.

Mr. GRAYDON: I should like to pay a tribute to the nursing sisters both overseas and in Canada. Perhaps they have not been given the recognition they deserve, in connection with both the last war and this war, and we should not let this item pass without a word in appreciation of the services performed by these most estimable people. The nursing profession does a quiet, effective and useful job in time of peace, and in time of war performs even greater services and more useful tasks, but seldom receives public recognition of its work. Therefore I should think this committee would want something on record as expressing our appreciation of the work of the nursing sisters both in the war areas and in civilian activity. The same difficulty has been experienced in connection with nurses as in connection with doctors; that is, as the minister knows, there has been a very great shortage. This has meant that nurses have had to work long hours. Many of them, I know, have gone without holidays for two or three years, working almost every day without any respite whatever. I believe that we should pay our tribute as a parliament to the work of these estimable women to whom we owe a debt of gratitude for the work they are performing in behalf of both our civilian population and our armed forces.

Mr. MACKENZIE (Vancouver Centre): I agree with every word the leader of the opposition has said. We have seen the work of our nurses in the last war, in the days of peace, and again in the present great conflict, and the service they have rendered to our forces and to Canada as a whole could not be surpassed.

Mr. BLACKMORE: The minister read a list of figures which indicated that the number of nurses in training had greatly increased. Could he give us some idea of how the expenditure of this sum of money has contributed to that increase?

Mr. MACKENZIE (Vancouver Centre): It has contributed both directly and indirectly, I would say. According to the memorandum before me, the need for more graduate nurses and specialists has increased, so that it was decided to increase the grant to the Canadian Nurses' Association, as follows:

(a) $25,000 for administration, to increase the campaign for recruitment of student nurses, and for increased publicity;

(b) $155,000 for direct assistance to schools of nursing to provide for increased registration.

Mr. BLACKMORE: Would the minister just elaborate on that item, to show how the money is spent in order to increase the number of nurses?

Mr. MACKENZIE (Vancouver Centre): We just make the grant, which at the end of the year is vouched for in a proper financial way by the association. We make the grant to the Canadian Nurses' association and they decide how it is to be allotted; then we are informed how every cent has been spent during the year. The memorandum continues:

The present grant did not permit assistance to many schools where such aid would have provided for larger registration. It is planned to increase the number of students in many more training schools as soon as money can be provided for increased training facilities.

(c) $40,000 for scholarships. The need for specialists is increasing. The grant last year permitted forty-five scholarships, but this took care of only half the eligible and desirable applicants.

(d) $30,000 for direct assistance to schools of nursing in universities and in public health organization in order to extend their facilities for giving post-graduate specialist training. Present facilities are taxed to capacity and direct aid will provide for an increased output

of trained specialists. The method of distribution of the direct assistance to teaching institutions and universities is subject to the approval of the department.

Mr. BLACKMORE: The minister indicated that he had a statement from the nursing organization showing how the money had been spent. Would he mind giving that to the committee? I am not able to form a clear picture of just how this money would help to increase the number of nurses. Perhaps the minister would elaborate.

Mr. MACKENZIE (Vancouver Centre): Yes. First I have the distribution of scholarships by provinces in 1942-43:

Alberta	3
British Columbia	3
Manitoba	4
New Brunswick	1
Nova Scotia	1
Ontario	1
Saskatchewan	5
	18

Mr. BLACKMORE: Are these scholarships given to high school students, or to nurses in training, or to nurses who have finished training in order to enable them to go on and take higher training? Just why are the scholarships given, and how do they assist in reaching the objective of increasing the number of nurses?

Mr. MACKENZIE (Vancouver Centre): We do not lay down the conditions under which these grants are made; the Canadian Nurses' association apply the grant as their best judgment dictates. The plan is then submitted to the department, and of course they account to us for everything that is spent. The scholarships are for graduate nurses deemed to be promising material as teachers, supervisors and administrators.

Mr. BLACKMORE: I was interested in just what this nursing association has told the minister as to how the money is spent.

Mr. MACKENZIE (Vancouver Centre): I was just coming to that. The next item is the distribution of direct assistance to training schools in 1942-43:

Alberta	$ 9,240
British Columbia	9,900
Manitoba	9,900
New Brunswick	3,960
Nova Scotia	6,600
Ontario	11,900
Prince Edward Island	2,000
Quebec	11,900
Saskatchewan	7,920
	$73,320

Then comes direct assistance to universities:

McGill university	$2,100
Institute Marguerite D'Youville University of Montreal (covering courses in clinical teaching and supervision to groups of graduates from approximately twenty schools)	1,500
Ecole D'Infirmieres Hygienistes University of Montreal (additional instructor and supervision of students on field work)	1,500
	$5,100
Deficiency to be made up by reducing grant for last quarter where possible	$3,420

Mr. BLACKMORE: Has the grant made to McGill university, for instance, definitely increased the number of nurses in training; and just how has it increased that number? What guarantee have we that it has actually done so?

Mr. MACKENZIE (Vancouver Centre): As far as we are concerned in the department, we just make the grant to the nurses' association after approval of their submitted programme; it is for a most worthy purpose. I have a long letter in which they tell us exactly how they carried out the work. I just read part of it; I can read it all if necessary.

Mr. BLACKMORE: Ordinarily I do not ask questions of this sort, but I do believe it is the duty of members of parliament, in the case of a grant as large as this, to probe into the matter to some extent just to make sure there is proper supervision of the expenditure of this money. I want to give the minister an opportunity to give us the statement.

Mr. MACKENZIE (Vancouver Centre): Later on, of course, there will be an audited statement accounting for every cent that has been expended, but from my knowledge of the people in charge of this organization I can assure my hon. friend that they are the most worthy and most careful that could be found.

Mr. BLACKMORE: I am not questioning the people; I am just endeavouring to be businesslike in the conduct of the country's affairs.

Mr. MACKENZIE (Vancouver Centre): I have not an audited statement here.

Mrs. CASSELMAN: I believe the nurses' association is entitled to great credit for coming to the minister with a plan pretty well laid out as to how, by the expenditure of a certain sum of money, the number of girls entering the nursing profession can be increased. Grants were made for definite purposes to the hospitals where the training is

done, in order to increase the number of students they could handle, and also to enable further training to be carried on in the schools themselves. The heads of the nursing association are very able, and had a plan very well worked out when they brought it to the minister. I wonder if he would put that letter on the record? Perhaps he could put it on *Hansard* without reading it.

Mr. MACKENZIE (Vancouver Centre): With the permission of the committee.

Mr. BLACKMORE: I should like to have the minister read it. Most of us have more reading than we can possibly do.

Mr. MACKENZIE (Vancouver Centre): It is as follows:

Information has now been received in this office on the expenditure of the projects made possible through the grant given by the federal government to the Canadian Nurses' Association 1943-44, as the result of the most generous support afforded by you and others in your department. On behalf of the Canadian Nurses' Association, I have been requested to forward a report on these to you. In submitting their report regarding expenditure of the allocations made to them, much appreciation is expressed by the registered nurses' association in each province.

You will recall that the grant was made to support the following objectives:

(1) The development of war-time programmes, including extensions of facilities for giving post-graduate courses, in departments and schools of nursing in universities, also in public health organizations;

(2) Recruitment of students and their preparation;

(3) Direct assistance to schools of nursing to provide for increased registration;

(4) Administration, including the work of the national adviser and general publicity;

(5) Bursaries to assist nurses in taking post-graduate work and qualifying as teachers, supervisors and administrators.

With the exception of the allocations for administration and bursaries, expenditures of the grant have been made through the provincial associations of registered nurses, subject to the recommendations of the Canadian Nurses' Association and the approval of your department.

The following is a brief summary of a number of projects which have been undertaken in the provinces, and notations on the results as reported by them.

1. In seven provinces travelling instructors have been employed: to give refresher courses to nurses in order to bring them up to date, when this is necessary; these courses are of special value, as many married and retired nurses have been taking advantage of them and are giving very valuable assistance during the present crisis; to advise with staffs in hospitals and boards of directors regarding problems arising out of the present crisis; to promote recruitment of students through direct contact with high schools. The assistance given by travelling instructors has been declared to be of the greatest value, and has been characterized in one province by hospital representatives as one of the most effective measures ever taken to assist small hospitals and to bring expert advice and suggestions to them in a time of need.

Mr. BLACKMORE: May I interrupt the minister there to express warm commendation of that particular project. That is something with which we can be thoroughly satisfied.

Mr. MACKENZIE (Vancouver Centre): The letter continues:

2. Additional instructors and supervisors in a number of schools of nursing and in some public health organizations throughout the dominion have been made possible through assistance given through the grant. They have made a fine contribution. It is very essential that the teaching staff should be strengthened, especially at this time, when in many instances provision must be made for an increased enrolment of students and all health organizations and institutions are working under great pressure. It is true, that at this time students are being required to assume greater responsibilities as graduate nurses have to be released for more advanced duties, therefore supervision is of special importance to safeguard the welfare of patients.

3. Additional teaching facilities and equipment have also been provided in a number of schools of nursing in which increased enrolment has taken place.

4. To meet the increased demand for nurses with special preparation, post-graduate courses have been extended and adjusted in universities, hospitals and public health organizations. A portion of the grant made to the provinces has been used for this purpose. Special courses have included refresher, extension, summer school courses and institutes, by which many nurses have been reached. In a number of instances the support of universities has made the organization of these courses possible.

In addition to the projects carried out by the grant to provinces, the support given in the form of bursaries to enable nurses to take post-graduate work has been of the greatest assistance. Not only has the number of nurses who are enrolled for courses at universities increased, but very favourable reports are received on the calibre of the nurses taking these courses and their contributions in the different fields of nursing upon the completion of the course. Although a total of 141 bursaries was awarded in 1943-44, only about fifty per cent of the applications could be granted. Of these twenty-one bursaries were awarded to French-speaking candidates.

Through the national adviser personal contacts were made in many of the provinces during the past year. A French associate adviser carries on activities from time to time as these are deemed necessary. The publicity campaign is being continued for the recruitment of students, and direct appeals are also being made to nurses to give service where this is most needed.

The Canadian Nurses' Association is proud to report that it is our understanding that there is no dearth of nurses applying to enlist with the armed forces. The demands for nursing service to meet civilian needs presents a more serious problem. As you are aware, The Canadian Nurses' Association has been making every effort to assist in meeting these

since the outbreak of war, and we can state with confidence that much has been done to overcome shortages which would not have been possible without the generous assistance received through the grant.

The following figures have been obtained recently and are indicative of some of the definite accomplishments:

In February, 1944, 11,359 student nurses were enrolled in 175 approved schools as compared with 10,759 in 173 schools in 1943, and approximately 8,500 students in 179 approved schools in 1939. This shows an increase in enrolment of approximately 2,850 students since 1939.

The number of graduate nurses enrolled for the full year's course at universities during 1943-44 is 272 as compared with 262 in 1942-43 and 196 in 1938-9. In addition to this number, over 562 nurses have enrolled for shorter courses given at universities and hospitals as special war-time programmes. These courses have varied in length, but are in addition to the shorter refresher courses organized in many districts in the various provinces.

These are some of the tangible benefits that can be reported as directly resulting from assistance received from the federal government. In addition it is realized that the programme initiated through the grant has done much to stabilize nursing service and to assist in strengthening morale in these difficult times.

On behalf of the Canadian Nurses' Association, Miss Lindeburgh, the president, wishes me to express again appreciation of the sympathetic hearing given to us at all times and of your continued support.

K. W. Ellis,
General Secretary.

Mr. BLACKMORE: Was not another letter mentioned?

Mr. MACKENZIE (Vancouver Centre): It was a memorandum.

Mr. BLACKMORE: I am pleased with that letter. But can the minister tell us how many post-graduate courses were given nurses?

Mr. MACKENZIE (Vancouver Centre): That is a matter I would have to ask the Canadian nurses about. I believe the number exceeds 100.

Mr. BLACKMORE: In respect of a grant like this it would be easy for an institution to take a grant of money, apply it to general expenses and spend it without getting actual results. It would be well if we had a report to show that such had not been done.

Mr. MACKENZIE (Vancouver Centre): I shall be glad to get a full report for my hon. friend, and present it when my main estimates are before the committee.

Mr. MacNICOL: Does the Canadian Nurses' association select candidates for refresher courses and university courses?

Mr. MACKENZIE (Vancouver Centre): So far as I know they do.

Mr. HAZEN: What hospitals in New Brunswick receive part of this grant?

Mr. MACKENZIE (Vancouver Centre): I shall have to get that information for my hon. friend.

Mr. BLACKMORE: The letter mentions that a number of post-graduate courses are given. How many are there?

Mr. MACKENZIE (Vancouver Centre): I have not that information, but I will get it.

Mr. BLACKMORE: While I am quite satisfied to take these statements on faith, I believe that if we are to do business in a businesslike way we should have it.

Mr. MACKENZIE (Vancouver Centre): I shall be glad to get it.

Item agreed to.

Contribution toward health services at Halifax, $45,000.

Mr. KNOWLES: This is an item which we did not vote last year. But do I understand that this replaces an amount passed by order in council about a year ago? If so, would the minister indicate what it was possible to do last year with that amount of money to meet the conditions reported to us respecting Halifax?

Mr. MACKENZIE (Vancouver Centre): I do not think any expenditure has been made up to the end of the fiscal year just completed.

Mr. BLACKMORE: Would the minister give some details as to how this money is to be used? Is it necessary that this money be spent at Halifax rather than Saint John, for example, or Vancouver?

Mr. MACKENZIE (Vancouver Centre): It has not been used yet. The order in council sets forth the purpose. Does my hon. friend wish me to read it?

Mr. BLACKMORE: It would be appropriate to this matter and the minister might make a job of it.

Mr. MACKENZIE (Vancouver Centre): It reads:

Whereas by reason of exceptional circumstances of a highly extraordinary character arising out of the large movement of naval, air and military units and merchant seamen into and out of the city and port of Halifax and the extreme concentration in the area of enlisted and civilian personnel not ordinarily resident there, it is desirable and expedient that the dominion government should assume part of the cost of maintaining the essential health services of that city;

And whereas the outbreak of an epidemic or the development of other conditions inimical to the health of residents of the city of Halifax

would seriously interfere with the overseas movement of troops and supplies and generally with the Canadian war effort;

And whereas in the opinion of officials of the Department of Pensions and National Health an average annual expenditure of approximately $100,000 is required in order to provide essential minimum standards of health services in the city of Halifax;

And whereas it is considered desirable for the dominion government to assist the city of Halifax in reaching this required expenditure by contributing an amount of $45,000 during the first year after the going into force of this order, an amount of $15,000 during the second year, and thereafter an amount of $30,000 annually, toward the cost of health services in the city of Halifax for the duration of the present war and one year thereafter, provided that the municipal government of the city of Halifax continues to expend from municipal funds an amount of $70,000 annually, and provided further that the said municipal government agrees to the conditions hereinafter attached to the payment of such assistance.

Now, therefore, His Excellency the Governor General in Council, on the recommendation of the Minister of Pensions and National Health and under and by virtue of the War Measures Act, chapter 206, Revised Statutes of Canada 1927, is pleased to order and doth hereby order as follows:

1. The Department of Pensions and National Health is hereby authorized to assist the city of Halifax, N.S., to improve municipal health conditions by the payment of an amount of $45,000 during the first year after the coming into force of this order and of an amount of $15,000 during the second year after the coming into force of this order and thereafter of an amount of $30,000 annually for the duration of the war and for one year thereafter, such payments or any of them to be made in the manner and with the provisos hereinafter set forth:

(a) That such payments or parts thereof shall be made by the Department of Pensions and National Health to the minister of public health of the province of Nova Scotia for disbursement as prescribed herein to the municipal government of the city of Halifax and shall be expended in implementing such recommendations, in the report of the survey of health conditions in the city of Halifax conducted by the international health division of the Rockefeller foundation and dated the 17th November, 1942, as may be agreed upon between the Minister of Pensions and National Health and the minister of public health of the province of Nova Scotia; and

(b) That any such payments or parts thereof shall be made to the minister of public health of the province of Nova Scotia upon receipt of a joint certificate, acceptable to the chief treasury officer of the Department of Pensions and National Health, from officers of the provincial department of public health and the provincial treasurer that the expenditures by the municipal government of the city of Halifax have been incurred in implementing the recommendations of the aforesaid report as agreed upon between the Minister of Pensions and National Health and the minister of public health of the province of Nova Scotia.

2. The cost of carrying out this order shall be charged against funds provided from the war appropriation for these purposes, subject to the approval by the treasury board of the estimate of cost, and allotment of funds in conformity with the terms of order in council P.C. 6695 of November 19, 1940.

[Mr. Ian Mackenzie.]

Mr. KNOWLES: The thing that puzzles me is not that we have been asked to vote this money but that it has not been spent.

Mr. MACKENZIE (Vancouver Centre): That is a matter entirely for the local authorities.

Mr. KNOWLES: I recall that it was asked for last year because reports had been received that conditions in Halifax were pretty serious.

Mr. MACKENZIE (Vancouver Centre): We were asked for assistance, but accounts were not submitted.

Mr. KNOWLES: In other words, you have had no request from the local authorities?

Mr. MACKENZIE (Vancouver Centre): No.

Mr. BLACKMORE: Has the minister any idea why that is?

Mr. MACKENZIE (Vancouver Centre): No, I have not.

Mr. BLACKMORE: The order in council seems to have viewed the matter quite seriously.

Mr. MACKENZIE (Vancouver Centre): It was placed before us as a matter of great seriousness; otherwise we would not have passed this rather unusual order. It was represented to us that conditions were serious from the health point of view, mostly because of the movements in connection with the war effort of Canada. We arranged to give assistance but it has not been spent.

Mr. BLACKMORE: Are we to gather from this that the provisions for the safeguarding of the health of the troops are not being taken?

Mr. MACKENZIE (Vancouver Centre): Measures may have been taken. That is a matter for the local authorities.

Mr. KNOWLES: Is the minister referring to the city or provincial authorities?

Mr. MACKENZIE (Vancouver Centre): Both.

Mr. BLACKMORE: This order in council was passed originally as a result of a request from the authorities?

Mr. MACKENZIE (Vancouver Centre): Yes.

Item agreed to.

Sundry services $43,480.

Mr. BLACKMORE: What were the sundry services?

Mr. MACKENZIE (Vancouver Centre): The details are:

Treatment of Canadian fishermen and seamen	$15,000
Analyses of food and drugs	10,000
Hire of boats	14,400
Health unit—Prince Rupert, B.C.	4,080
Amount submitted for 1944-45	$43,480
Approved estimate for 1943-44	$30,680

Mr. BLACKMORE: I notice that once more the money apparently was not expended.

Mr. MACKENZIE (Vancouver Centre): The expenditures have been much smaller than the amounts voted. In the case of treatment of Canadian fishermen and seamen, the amount submitted for 1944-45 was $15,000, and the approved estimate for 1943-44 was $1,000. The following expenditures were made:

1941-42	$560 50
1942-43	397 31
1943-44 (to March 31, 1944)	968 23

Mr. BLACKMORE: Could the minister give us an idea of the kind of service given to these seamen? Was any money spent in connection with accidents?

Mr. MACKENZIE (Vancouver Centre): It is to provide for the cost of treatment required by persons employed on ships of Canadian registry and Canadian salt water fishermen who require treatment as a result of enemy action or counter action against the enemy, who are not otherwise eligible for free treatment under the provisions of part V of the Canada Shipping Act, authority order in council, P.C. 3492, dated November 10, 1939. To provide also for the care and maintenance of indigent and disabled seamen returned to Canada due to sickness and disabilities incurred while serving on board merchant ships of allied nations in dangerous waters and for whom no other provision exists.

Mr. BLACKMORE: I gather that we had almost no accidents during last year.

Mr. MACKENZIE (Vancouver Centre): Not otherwise provided for.

Mr. GILLIS: Perhaps the minister will remember the case of a Canadian seaman I took up with him. This boy landed in Halifax and wound up in a mental institution, and he is still there as far as I know. In correspondence with the minister and the department I was given to understand that nothing could be done, but after listening to the details of this item I feel that something could have been done under it. When the father was negotiating with the authorities in Halifax he was informed that if someone had provided the necessary funds the boy could have been taken to Halifax and given the proper treatment with the possibility that his health would have been restored.

To my mind this boy was definitely a war casualty since he served in the merchant marine for two and a half years. He had been at Crete and had undergone considerable bombing. To the best of my knowledge he is still in a mental institution. I mention this now because I think that under this vote something could have been done at least to give him a chance to regain his health.

While I am on my feet I should like to ask one more question. The minister will remember bill No. 5, which guaranteed the soldier the right to his job when he came back. The minister was on the canteen committee along with myself. When we discussed the bill I thought it was understood, or at least we intended it in that way, that the administration would rest with the Department of Pensions and National Health. I am wondering if that department has taken over the administration of this bill, or is it being taken care of by the Department of Labour? I have two cases I should like to bring up and I should like to know where to take them.

Mr. MACKENZIE (Vancouver Centre): At the present time it is administered by the Department of Labour, but the statute contains a provision that it may be administered by such minister as may be designated. The minister may be changed.

Item agreed to.

DEPARTMENT OF AGRICULTURE

Agricultural supplies board—administration, $51,300.

Mr. GRAYDON: Mr. Chairman, in opening the agricultural items of the war appropriation resolution I should like to ask the minister if he is in position to give a general résumé or review of the war-time activities of his department.

Hon. J. G. GARDINER (Minister of Agriculture): Mr. Chairman, I had not intended to go into any detail with regard to the activities of the department in relation to the war appropriation, partly because we have already covered most of these activities in the discussions with regard to administration that we had when the regular estimates were before the committee. Matters having to do with the meat board, the previous bacon board, and with the agricultural supplies board, also some items relating to the special products board, and administration as related to the

agricultural food board, were discussed quite fully when the ordinary estimates were before the house this session.

There have been only one or two important changes in the set-up in the department to handle matters having particularly to do with the war. In the first year of the war we set up the agricultural supplies board, with which this first item has to do. That board, it will be recalled, was made up of the deputy minister, the assistant deputy and the heads of the different divisions in the department. Those men laid out the plans for greater production very early in the war and have had charge of our production programme from that time down to the present. Under the board we have called together the representatives of the provincial governments and the representatives of farm organizations from time to time, and have had eleven conferences since the beginning of the war with those representatives to discuss the necessity for greater production of farm products. The plans laid out as a result of those conferences have been carried through by the farmers in the different parts of Canada. The activities of the board have to do with the different programmes which are enumerated on page 395 of *Hansard* of February 11, 1944.

So far as the meat board is concerned, we had in the earlier years of the war the bacon board, which handled bacon and ham and hog products marketed in Great Britain. That board entered into contracts with the British government under which we have supplied bacon and ham to Britain year by year since the beginning of the war until early in last year, when the bacon board was changed to the meat board. The reason for the change was that a surplus of beef was beginning to show up on this market partly because the United States market had been closed earlier in order to supply the shortage on the Canadian market. Early last year when we began to see signs of the development of a surplus of beef on the Canadian market, preparations were made for the marketing of our surplus beef in Britain. A very considerable amount of beef has been marketed in Great Britain since then down to the present time. The change in name simply meant that the meat board was prepared to enter into agreements covering not only bacon and ham and hog products but beef as well, also mutton and lamb, and we have been shipping these products to Britain now for some considerable time.

The one outstanding change was made a year ago when the agricultural food board was set up. That is the last item in this vote. The food board is headed by the deputy minister of the department and contains other representatives, and associated with the board is an advisory committee composed of representatives from the different provinces and representatives named by the farm federation. That advisory committee meets from time to time and advises with regard to the handling of food products which are produced on farms.

The items in the war appropriation this year cover very much the same matters as were covered last year. They vary to some extent in accordance with the changed circumstances in relation to different food products, but I think those matters can be better discussed when we reach the different items.

There is considerable overlapping between the votes for war purposes and the votes in the regular estimates. That is to say, the same persons who administer the votes in the war estimates also administer the expenditure under the votes in the regular estimates, so that the fact that hon. members perhaps may not discuss on these estimates, certain matters in which they are interested would not, of course, preclude them from discussing them on the regular estimates. That is due to the fact that the next item to be discussed in the regular estimates is the vote for experimental farms, after which, as hon. members know, come all the marketing votes, and those votes are associated with much the same kind of administration, with the same persons administering them, as the estimates now before the committee. I think that is all I care to say at the moment. Mr. Chairman, in submitting these estimates for the approval of the committee.

Mr. BURTON: I wish to thank the minister for giving us the background of this vote. I realize, of course, the minister's desire to have his estimates passed as quickly as possible. There may be other reasons operating—

Mr. GARDINER: None whatever. I am going next Saturday night whether they are carried or not.

Mr. BURTON: I was going to assure the minister of my cooperation in getting his items through.

Mr. GRAYDON: You must be wanting to get away too.

Mr. BURTON: The vote this year is five times as large as the vote last year. Therefore we should not be too hasty in approving it without a full explanation of the various items from the minister. I want it perfectly understood that I am not raising any objection to the vote being five times as large this year as it was last year, but coming from different

parts of the country I think hon. members should familiarize themselves with the reasons for these appropriations being asked.

Since the beginning of the war those who have supplied the foodstuffs for this nation and the allied nations have been operating under very difficult circumstances. I should not like to have any member think that anything which the agricultural department has been able to do for these producers has been in the nature of doing something for nothing. I think the minister and many other hon. members will agree that those engaged in this country in the industry of agriculture have made a really worthwhile contribution to our war effort. In fact I feel so keenly about it that I would go so far as to say that for a number of years they were not given the proper recognition in the war effort of the nation.

When we come to where these items, as the minister said, seem to overlap, I wondered in which way he would prefer us to proceed with the various questions we want to discuss. Would he prefer to go on item by item and discuss each one, or would he prefer to have us give him lists of questions covering the various items and then deal with them at the conclusion? I assure the minister that my inquiry is made with a view of enabling him to pass the estimates in a reasonable time, and whichever way he would prefer, I am prepared to cooperate with him.

I might remark that I have a number of questions which, when I look at the page listing the items, cause me to wonder at what point they should properly be asked. For instance, at one place we find "freight assistance on western feed grains"; a little further down we find "subsidy on western wheat used exclusively as feed for live stock". What strikes me first of all is that to the ordinary person that might appear to be a subsidy for the western farmers. I submit that this would be the wrong deduction, because the western farmers could have disposed of all this feed grain in other markets at better prices than they have been able to obtain this way. If my analysis is correct, this is not a subsidy to the western farmers; it is really a subsidy to the farmers in the east. I do not raise any objection to that, but I should like to have the facts clearly understood. Too often we in the west have thrown at us the reproach of seeking hand-outs from the treasury. We in the west year after year have helped other parts of the country without their realizing that we were doing so. I repeat that we could have obtained more for our grain by delivering it in other markets. We are quite prepared to have it go where it is going; we are quite willing to have people assisted by getting this grain, but I do not think it can be fairly said under the circumstances that we are receiving a subsidy.

There is another matter about which I wanted to inquire. This item, it seems to me, contains several overlapping parts. In one part I find "seeds administrator, administration, and seed programme". Several items further down we see "special products board: administration, and seed export office". I do not know why they are separated or how they come to be separated in that way.

In connection with this seed programme, would the minister kindly explain what is undertaken in connection with it? I find that last year $180,000 was voted; this year $500,000 is required. Again I would make it clear that I am not objecting to the item, but I think we who represent different parts of the country should be able to tell our people what these items involve. As regards the export office, the amount is very small, but I should like to know how it is related to the other seed programme. As regards the item "assistance in disposal of agricultural products rendered surplus by the war," would the minister give us a fuller explanation than he did in his brief opening remarks?

Coming to the very last item, "subsidies to producers of food products, $47,600,000," may we have a little better break-down to show what this involves?

I conclude these few remarks by again assuring the minister that I am seeking this information so that we shall be able properly and fully to explain these matters to the people whom we represent.

Mr. GARDINER: With regard to the suggestion as to how we might proceed, probably it would facilitate matters if we took them item by item. The information is compiled in that way in the books which I have, and it would be much simpler and, I think, give better information if we were to go through them item by item, deal with each one, complete it, and then go on to the next.

As regards the general remarks having to do with the total expenditure, I think a general statement of explanation is all that need be made at present.

The items themselves indicate in a general way what the difference is. The outstanding difference which brings about an increase in 1944-45 as compared with 1943-44 is the one mentioned by the hon. member for Humboldt, namely $16,500,000 for freight assistance on western feed grains. That, of course, is due to the fact that shipments are expected to be very heavy in connection with feed grains beginning with the first of the present financial

year and extending on throughout this summer to the following winter. If shipments are heavy, very considerable expenditures will have to be made.

The subsidy on western wheat is another item which has been increased. That is owing to the greater amount of wheat which is being fed in the eastern part of Canada, particularly, at present and probably will continue to be fed over the remaining period of the war. We are paying a subsidy on the wheat which is being fed in the eastern and other parts of Canada. The reason for that is that we have a ceiling price set on the products which are produced through the feeding of live stock. There is a ceiling price on all dairy products and on meat consumed in Canada, and it is thought advisable to have a ceiling on the feed which enters into the production of it. Therefore a subsidy is paid in connection with the wheat which is used for feeding purposes in the eastern part of Canada, payment for that wheat being fixed at a price which makes possible the selling of meat and dairy products at the ceiling.

The next item which is dealt with is that of the seeds administrator and seeds administration—

Mr. BLACKMORE: Would the minister permit a question before he goes on? Is it so that a man who raises wheat, we will say in Saskatchewan, and feeds the wheat on his own farm to his own stock, is unable to have a subsidy on his own wheat, but that if he sells that wheat to his neighbour who does not raise any wheat, to feed stock, the neighbour can have the subsidy?

Mr. GARDINER: The subsidy is paid to persons who have not a permit book for the marketing of wheat. If a person does market wheat and also tries to buy wheat he, of course, does not get the subsidy, the reason being that if he had fed the wheat in the first instance it would not have been necessary for him to buy it and if paid in that way it would be an inducement to everyone to sell his own wheat and buy someone else's. The subsidy could not be paid in that manner. The subsidy is paid to persons who are not marketing any wheat.

Mr. BURTON: I realize that there is a difficulty such as the minister mentions, but I was wondering whether the minister had given consideration to what the hon. member for Lethbridge said. On many of the farms in western Canada especially, there are hundreds of people who have increased live stock production at the request of the department, knowing it was for the benefit of the country. They did this, and yet at the same time they are producing wheat and using for feed a lot of that wheat which otherwise was more or less a nuisance for the time being on the hands of the government. Yet they are in the position which the hon. member for Lethbridge pointed out. I was wondering, therefore, whether the minister had given any thought to the question as to whether help could be given to the people in that way without doing what he mentioned a little while ago.

Mr. GARDINER: Considerable thought has been given to it, but no practical way has been found of doing that kind of thing. I do not know how you would keep the records or how you would handle it. We have given considerable thought to the question, but up to the moment no way has been found of making payments of that kind.

Mr. BLACKMORE: As matters now stand, the man who raises his wheat and feeds that wheat to his own stock is deprived of the assistance which is readily given to the man who does not raise his own wheat but buys wheat and raises his stock. It means that the man who is raising his own wheat and feeding his own stock is being penalized and put at a disadvantage in comparison with the other.

Mr. FAIR: Is there anything to prevent the government from paying the subsidy to a man who grows wheat and feeds it, apart from the system of accounting?

Mr. GARDINER: There is a reason why it should not be done, but we are experiencing such great difficulty in administering the payments even in connection with oats and barley that we shall have to institute a great many prosecutions. It has been found most difficult, and I am afraid that if we cannot get any greater cooperation than we have had, that kind of payment will have to be discontinued too, because the reports that come from all parts of the country are to the effect that it is being greatly abused.

Mr. PERLEY: In connection with coarse grain?

Mr. GARDINER: Yes.

Mr. PERLEY: How is it being abused?

Mr. GARDINER: There is only one way in which it can be abused, namely, by the elevator operators not keeping proper records in connection with the weights that go through their elevators.

Mr. FAIR: In my opinion, a number of the subsidies that are paid are misnamed. The subsidy is actually a portion of what the people should receive in the prices of the

produce they have to sell, because farm produce is selling at far below the cost at which it should be sold.

Mr. PERLEY: Did not most of this feed wheat come east?

Mr. GARDINER: There is no difficulty such as I have been speaking of in connection with wheat coming east. Most of the amount is paid on wheat that came east, but there are cases where wheat is purchased by feeders in the west—they may not be farmers but commercial feeders—and they get the same kind of treatment as the man who buys it in the east.

Mr. PERLEY: It is getting rather late and I had a few remarks to make.

Mr. GARDINER: I think I should finish the statement I was making in answer to the hon. member for Humboldt. I was going to say that there is a considerable increase in connection with the seed programmes. We can go into details in that connection when we come to the item. That has to do with encouraging people to produce seeds for which probably there will not be a commercial sale. We have been inducing farmers to produce seeds, some garden seeds and some for production of plants from which we can get rubber, and other plants of that kind, and in the seed programmes, providing seeds for these purposes, there is a possibility that there will not be a commercial market apart from the market the government provides. I shall come to that as we go through the different items, and give further explanations in regard to it.

The other outstanding item is the last one of $47,600,000. That is a new item, and it is new because the food board was set up a year ago and that setting up of the board was to provide payment of producer subsidies. Those subsidies are on milk products of different kinds and on many of the other food products which we can deal with again in detail when we come to the item. These are the chief increases throughout the items which account for the fact that we have $73,666,070 this year as against $14,240,309 a year ago.

Mr. PERLEY: Outside the three items, the estimate is considerably less, about $10,000 less than last year.

Mr. GARDINER: Yes.

Progress reported.

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

Monday, May 22, 1944

The house met at three o'clock.

THE PRIME MINISTER

WELCOME EXTENDED ON RETURN TO THE HOUSE FROM LONDON CONFERENCE

Mr. GORDON GRAYDON (Leader of the opposition): Mr. Speaker, it is not often in the history of a leader of an opposition that he can speak on behalf of the whole parliament in which he sits, and at the same time be reasonably sure of unanimous support for what he says. I feel in this particular instance, however, that I am in that position.

Because of the war and the serious matters connected with it, there is not much time left for pleasant occasions such as that which is afforded now to members of this house. Therefore this occasion stands out in bold relief; because after nearly four full and very strenuous weeks in which the Prime Minister has dealt with important commonwealth, international and war-time business for Canada overseas, he has returned to our midst, again to take his part in the affairs of parliament.

One of my words at this time should be an expression of gratitude and appreciation to His Majesty, to the Prime Minister of Great Britain, to the members of the United Kingdom cabinet, to the members of the House of Lords and the House of Commons at Westminster—indeed to the entire people of Great Britain—for the spontaneous and open-hearted welcome they extended to our Prime Minister while he was there, a welcome which we in turn, as a nation of Canadian citizens, are pleased to share.

The general tone of the welcome the Prime Minister of Canada received in that overseas domain was an indication of how the nation he represents is held over there. I fancy the gesture of good will and affection extended to the Prime Minister on behalf of himself and the people of Canada will remain long with him as a treasured and prized memory, as it will for the rest of us in Canada who share it with him.

May I say this to the Prime Minister: We are glad you are back. We are glad your journey was a safe one, and that you have been able to maintain and to preserve that measure of good health in which you left and which, apparently, is unabated on your return. We hope, too, that in the near future we shall be able to welcome two other leaders from the sister dominions of Australia and New Zealand. We shall welcome them not only on their own account, but because of the splendid achievements of their respective nations, both

in war and in peace. They stand high in the esteem, the admiration and the affection of the Canadian people, and I think it well that we pay this public tribute to them.

And so, if I may, on behalf of the members of the house, I extend to the Prime Minister the very warmest and most cordial of welcomes upon his return, and I say to him: We are happy indeed to have you with us once more.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I am sure every member of the house, regardless of party, will re-echo the words of the leader of the opposition (Mr. Graydon) on this occasion. It was indeed kind of the Acting Prime Minister (Mr. Ralston) yesterday to let us know that the Prime Minister was to arrive last evening, so that we might be present and see him land safe and well, and apparently not too tired.

We feel, as I think all the house feels, regardless of our political affiliations, that the Prime Minister on his recent trip represented Canada with distinction to himself and honour to our country.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, members of this group are glad to welcome the Prime Minister home. We feel it is a cause of satisfaction that he was able to make the trip safely, over there and back, and we shall be glad indeed to see him ready again to take his part in the government of the country.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am sure you, Mr. Speaker, and hon. members will not be surprised when I say that it is with great difficulty I find words wherewith to express my appreciation of the welcome extended to me this afternoon, as I return to my duties in the House of Commons.

May I say to my hon. friend the leader of the opposition (Mr. Graydon) that it was particularly pleasing to be welcomed by him, both as an old friend and as leader of the opposition in the house. There are times when, I imagine, my hon. friend would not welcome my return as cordially as he has this afternoon. But may I say to him that I have never come into the House of Commons at any time when I found myself more pleased with having that opportunity. I thank him for the exceedingly generous and felicitous way in which he has extended a welcome on behalf of his party, and I thank too, my hon. friends, the leaders of the Cooperative Commonwealth Federation and the Social Credit parties for the equally felicitous and generous manner in which they have extended their good wishes, and those of their followers. I shall ever remember with gratitude as well as pride, the welcome accorded from all sides of the house.

May I say to all hon. members that at no time have I been insensible of the burden of responsibility which was mine. If I have been fortunate enough not to disappoint too greatly any hopes or expectations they may have been kind enough to entertain of my representation of this House of Commons in Great Britain, I cannot be too grateful. The welcome which I received in Britain, which as my hon. friend the leader of the opposition quite rightly says was a welcome of the entire people of Britain, from their majesties the king and queen to those engaged in humble but essential tasks in that country at this time was certainly a welcome to the representative of the people of Canada and an expression of the feeling of the heart and mind of Britain toward the Canadian people. My visit afforded me an opportunity to realize how deeply the people of the United Kingdom feel toward the people of Canada. No words could begin to acknowledge the expressions that came from all sides as to the war effort of our country, and what it meant to have Canada and the other self-governing nations of the commonwealth represented at the side of the British government and people, at this of all times in the history of the world.

Had time permitted, and had I not just concluded a journey of over four thousand miles in one day and night, I should have liked to say something to the house of the many impressions gathered while in the United Kingdom, but doubtless I will have other opportunities for doing so. I shall accordingly make but a reference or two to those impressions. First, I should like to say that I think the conference in every way was a very great success, not only in what it disclosed of unity of purpose, unity of feeling and unity of action on the part of all who were there, but also in what it represented, in a symbolic way, to other parts of the world of the complete unity of the British commonwealth of nations and their high purpose at this time. It would not be possible to overestimate the value which the discussions at the conference were to all present. We had the privilege, the very great privilege, of having the Prime Minister of Great Britain, Mr. Churchill, preside over practically all the meetings. It was an inspiration to have his leadership. I am sure hon. members will be pleased to know that the Prime Minister of Great Britain was never in better health and never displayed more vigour than at the present time. During the last few

years I have seen him on many occasions; at Washington, here in Ottawa and also in Britain, but I can say that I do not recall ever having seen Mr. Churchill display the vigour, the energy, the tirelessness and the utter freedom from fatigue that he displayed throughout the entire conference. This means a great deal to all of us.

The discussions were free, frank and friendly. I could not honestly say that there were material differences between us on any questions. There were shades of opinion; there were points of view that were perhaps different, arising out of the different geographical positions of the different nations of the commonwealth, and the local situations they must necessarily take into account, but there was no difficulty whatever in arriving at a convergence of view with respect to all matters that were discussed. The programme itself was very full. It covered a variety of subjects, dealing of course primarily with matters of defence, with plans of the whole war, but dealing also with questions of foreign policy, matters related to the period of transition, to post-war reconstruction, and to the fashioning of a new world order. In the nature of things the proceedings of the conference were very secret, and one has to be doubly careful at this moment to disclose very little of what took place within its secret councils. These are moments when the enemy is more active than he has been at any time. He would be quick to piece together remarks that might be made in different parts of the world as to what had taken place, and turn them to his own advantage. But I can say, and I am proud to say, that its entire proceedings were marked by a degree of unanimity and determination that it would be impossible to exaggerate.

I believe the house would be interested were I to give just a line which might come to hon. members as from Mr. Churchill himself, for it, better than anything else I can think of, describes what the conference meant not only to him but to all of us who were present from the other nations of the commonwealth. I give the words as spoken by the Prime Minister at the opening of the concluding session, at the time the representatives signed the declaration which was subsequently published. Mr. Churchill said:

> We have found comfort in hours of stress and anxiety. In days when great military operations are proceeding with vigour, and, at last, not uncheered by hopes of success, we have found pleasure in meeting men whose companionship is a comfort, whose comradeship is strong as a rock. . . . My confidence in the future is enormously strengthened by all that has passed around this council board, and I am sure that this meeting will in future years be looked back to as one of the important milestones in the history of our united association.

My hon. friends have been kind enough to make reference to my part in the proceedings. May I say to them and to other hon. members of the house that, if it was in any way satisfactory, that was due to the circumstance that I had the privilege of giving expression to what I believe to be feelings and sentiments which are held in common throughout this dominion. I sought to avoid making reference to matters which might represent differences of opinion on any question. The things that we all hold in common are so much greater than the things that divide us that it was not difficult for me to feel that, when I spoke, I was speaking not for any particular party, not for either side of the house, but for members of all parties in this House of Commons and for the people of Canada as a whole.

My stay in Britain over the past three weeks and more has permitted me to gain exceptional information from the inside, from those who know more about the position of affairs in Europe and throughout the world than any other men; to obtain information from those in the highest positions on the military side as well as from those in the highest positions on the civil side. I have been permitted, also, to see something of the tremendous developments that have taken place in preparation for the final great task which may come at any moment. As a result of what I have seen and heard, I feel more reassured than I have felt at any time as to the certainty of ultimate victory. But may I say also that I feel more deeply than ever that the struggle is going to be very much greater and more difficult than any of us begin to comprehend.

I believe it is going to be longer than perhaps most of us imagine. As to its being a difficult struggle, a hard and severe struggle, a stupendous struggle, there can be no doubt. It will be the greatest conflict in arms that has ever taken place in the history of the world. We must be prepared, all of us, everywhere, to hear from time to time of situations that may cause us, for the moment, great concern. But let me say to the people of Canada, when that moment comes, have no doubt whatever as to what the ultimate outcome of the struggle will be, for I believe, knowing the plans of the united nations and what is being done to give effect to them, that there can be no question at all as to what the ultimate outcome will be.

I should like to add a further word as a result of what I have heard and seen and felt. I do not believe that this war is going to end

the conflict between the different classes and races of men. The enemy of to-day must be completely destroyed, but forces of evil have been let loose in this world which it is going to be difficult indeed to bring to bay. These forces of evil are going to continue to destroy much of what is best in the world, for many days, I am afraid, possibly years, after the main struggle is over. In all of our deliberations here, as I am sure will be the case in the deliberations of all other assemblies of free nations, we must never lose sight of the fact that our greatest work may still lie ahead in seeking to trample under foot and slay the dragon that to-day is seeking to destroy humanity itself.

I have been impressed more than ever with the truth that Britain holds the gates of freedom for the world. She has carried a great burden through the years, almost through centuries, in keeping open those gates of freedom. She has been hard pressed, very hard pressed in recent years in keeping those gates ajar. I believe that if the nations of the commonwealth had not found it possible in their hearts, from their love of freedom and sense of justice, to come immediately as they did to the side of Britain when this great struggle broke out, she herself might not have found it possible to keep those gates open. If those gates are ever closed there will be no more freedom for men in this world, I believe, for a thousand years to come. So I say that our task should go beyond this war and that we must continue to share with all freedom-loving peoples the great task of keeping those gates of freedom, which Britain represents, open to mankind.

I should add that I never was so proud of Canada as I was in Britain when I saw what our armed forces meant to the people there, and what they are accomplishing. It was not my privilege, obviously, to witness our naval forces in action, though events took place at the time of my visit which caused us all to realize their service and sacrifice as perhaps they have not been recognized at any other moment. But I did have the privilege of visiting our bomber group at one or two of its stations and of seeing something of the army and of its extent and work. I felt a pride in Canada's effort greater than any I have hitherto known or expressed. On some other occasion I shall have a chance to say a word about that and about the work people on the farms and in industries in Canada are doing to keep Britain supplied with the food and the war materials she so greatly needs.

Let me conclude, Mr. Speaker, by saying that I was never more proud to be a Canadian than I am at this hour, and I was never more proud to be a citizen of the British commonwealth.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

JAPANESE NATIONALS—PURCHASE OF LAND

Mr. STIRLING:

1. Has an order in council been passed dealing with those who buy land which Japanese subsequently occupy?

2. Has the government of British Columbia made representations to the Minister of Justice advocating the amending of the regulations covering the sale of land to Japanese with a view to having the penalties for infraction apply to those who held land for Japanese as well as to those who conveyed it?

3. If so, (a) when were such representations made; (b) has such action been taken; (c) is such action contemplated?

Mr. ST. LAURENT:

1. Yes.

2. The Attorney General of British Columbia has made such representations.

3. (a) March 27 and April 14, 1944. (b) Yes. (c) Answered by (b).

SENTENCE OF ALBERT VICTOR WESTGATE

Mr. DORION:

1. Has Albert Victor Westgate recently been sentenced to hang?

2. Had this man been sentenced previously before a court of justice?

3. If so, (a) for what offence; (b) what was the sentence; (c) was he set free before the expiration of his term of imprisonment; (d) upon whose recommendation was he set free?

Mr. ST. LAURENT:

1. A Canadian press dispatch, dated May 8, 1944, from Winnipeg, reported Albert Victor Westgate sentenced to be executed on July 24, 1944.

2. Yes.

3. (a) Murder. (b) Sentenced to be hanged on June 5, 1929, which sentence was, on June 1, 1929, commuted to life imprisonment. (c) On June 3, 1943, released on licence, under Ticket of Leave Act. (d) Representations were made to the Department of Justice by the warden and the chaplains of the penitentiary, by many outstanding citizens of Manitoba, by the Canadian Legion, Dominion Command, by the Canadian Welfare Association, Manitoba Branch Prisoners' Aid, and by a prospective employer; careful investigation in respect thereto was made by the remission service of the Department of Jus-

tice, and on its report as to merits the recommendation was made by the Minister of Justice.

QUEBEC TRUCK CONTROLLER—J. K. SMITH

Mr. GAUTHIER:

1. Is Mr. J. K. Smith, truck controller for the province of Quebec, an employee of the dominion government or a dollar a year man?
2. In either case, since when?
3. What was his previous occupation?
4. Will a bilingual employee be appointed in his stead?
5. If not, why not?

Mr. ABBOTT:

1. An employee of the dominion government, wartime prices and trade board.
2. May 1, 1942.
3. From 1900 to 1920 Mr. Smith was engaged in various phases of freight traffic handling, becoming in 1918 assistant to the general traffic manager of the freight tariff bureau of the Canadian National Railways. In 1920 he joined the Acadia Sugar Refining Company, Montreal, as traffic manager, and in 1922 was appointed manager of the transportation bureau, Montreal board of trade, from which organization he is presently on loan to this board.
4. No appointment is necessary as the position is now filled.
5. Mr. Smith's services are quite satisfactory and he has several French-speaking assistants.

HOUSING—ECONOMIC COUNCIL OF CANADA

Mr. BENCE:

1. Has the economic council of Canada been required by the government to make a study and report upon housing conditions in Canada, pursuant to the Dominion Housing Act, 1935, chapter 58, section 3?
2. If so, has a report been given to the government by the said council?

Mr. ABBOTT:

1. No. The Economic Council of Canada Act, 1935, was repealed by chapter 5 of the statutes of Canada, 1936.
2. Answered by No. 1.

REPARATIONS

Mr. WRIGHT:

1. What was the total amount of reparations paid by the German government to the Canadian government after the war 1914-1918?
2. What is the total of these reparations paid for the purpose of reimbursing individuals who had suffered injuries because of mistreatment or neglect by German nationals?
3. What were the names of and amounts paid to such individuals?
4. How much remained in this fund after all claims had been disposed of?
5. What final disposal was made of any amounts remaining in this fund?
6. What were the names of the members of the committee that handled the fund?
7. How many claims were made against this fund for which the claimants received no reimbursement?

Mr. McLARTY:

1. $26,672,246.06.

2. The reparation payments were not paid under any particular heading of the treaty of peace, since under article 232 compensation may be claimed from Germany in respect of damages under the following categories:

(1) Damage to injured persons and to surviving dependents by personal injury to or death of civilians caused by acts of war, including bombardments or other attacks on land, on sea, or from the air, and all the direct consequences thereof, and of all operations of war by the two groups of belligerents wherever arising.

(2) Damage caused by Germany or her allies to civilian victims of acts of cruelty, violence or maltreatment (including injuries to life or health as a consequence of imprisonment, deportation, internment or evacuation, of exposure at sea or being forced to labour), wherever arising, and to the surviving dependents of such victims.

(3) Damage caused by Germany or her allies in their own territory or in occupied or invaded territory to civilian victims of all acts injurious to health or capacity to work, or to honour, as well as to the surviving dependents of such victims.

(4) Damage caused by any kind of maltreatment of prisoners of war.

(5) As damage caused to the peoples of the allied and associated powers, all pensions and compensation in the nature of pensions to naval and military victims of war (including members of the air forces), whether mutilated, wounded, sick or invalided, and to the dependents of such victims, the amount due to the allied and associated governments being calculated for each of them as being the capitalized cost of such pensions and compensation at the date of the coming into force of the present treaty, on the basis of the scales in force in France at such date.

(6) The cost of assistance by the governments of the allied and associated powers to prisoners of war and to their families and dependents.

(7) Allowances by the governments of the allied and associated powers to the families and dependents of mobilized persons or persons serving with the forces, the amount due to them for each calendar year in which hostilities occurred being calculated for each

government on the basis of the average scale for such payments in force in France during that year.

(8) Damage caused to civilians by being forced by Germany or her allies to labour without just remuneration.

(9) Damage in respect of all property wherever situated belonging to any of the allied or associated states or their nationals, with the exception of naval and military works or materials, which has been carried off, seized, injured or destroyed by the acts of Germany or her allies on land, on sea or from the air, or damaged directly in consequence of hostilities or or any operations of war.

(10) Damage in the form of levies, fines and other similar exactions imposed by Germany or her allies upon the civilian population.

and the total amount paid represented an insignificant percentage of the cost to Canada under the above ten headings.

It is assumed, however, that the question relates to awards made by various reparations commissioners, the last of whom was Errol M. McDougall, Esq., K.C., who submitted his final report in March, 1933. All payments based on reports of the various reparations commissioners were provided by funds appropriated by the Parliament of Canada and the total amount distributed out of the appropriations provided by parliament was $8,580,245.88.

3. The reports of the reparations commissioners were made to the Governor General in Council and were printed in blue book form and placed on the table of parliament. These reports deal with the cases submitted and the decision in each case and cover more than 1,700 printed pages.

4. Since the funds were appropriated by vote of the Parliament of Canada and the last commissioner submitted his final report in 1933, no balance remains in the funds so appropriated.

5. Answered by No. 4.

6. There was no committee dealing with the funds, but commissioners were appointed under the Inquiries Act to deal with claims submitted. The appointments of these commissioners were as follows:

The Hon. Chief Justice Sir J. D. Hazen, 31st October, 1921, who asked to be relieved of his duties and did not deal with claims.

The Hon. William Pugsley, 13th March, 1923, who died before making his report.

James Friel, Esq., K.C., 19th June, 1925.

Errol M. McDougall, Esq., K.C., 6th September, 1930.

7. It appears from the reports that 3,194 claims were submitted and 2,025 claims allowed in whole or in part. This would mean that 1,169 claims were rejected.

[Mr. McLarty.]

GRADES OF HOGS

Mr. DIEFENBAKER:

1. What are the several official grades of hogs in Canada, and the particulars of each?

2. What are the differentials in price in respect to each of said grades?

Mr. GARDINER:

1. There are no official grades for hogs but following are the official grades for hog carcasses and the particulars of each:

(a) Weight ranges and carcass measurements

Grade "A"	Class 1
Weight .....lb.	140–170
Minimum length	29″
Maximum shoulder fat	2″
Maximum loin fat	1½″

Grade "B"	Class 1	Class 2	Class 3
Weight .....lb.	135–175	125–134	176–185
Min. length according to weight...	28″–29″	27″	30″
Max. shld. fat according to weight...	2″–2¾″	2″	2¾″
Max. loin fat according to weight...	1½″– 2″	1½″	2¼″

Grade "C"	Class 1
Weight .....lb.	120–185
Max. shld. fat according to weight...	2¼″–3¼″
Max. loin fat according to weight...	1¼″–2½″

Grade "D"—Class 1:

Weight—120-185 lb. and underfinished rough, soft or oily carcasses, of any weight.

Lights—weight 119 lb. and under.

Heavies—weight 186 lb. to 195 lb.

Extra heavies—weight 196 lb. and over.

Physical injury—all weights.

Ridgling—all weights.

Stags—all weights.

Sows—Class 1—all weights.

Class 2—all weights.

Note: Rejected or condemned carcasses shall be graded in accordance with the above grades, and in addition shall be shown separately on the grading certificate.

(b) Grade standards

Grade "A"

All carcasses shall be of best quality. Shoulder—shall be balanced in weight in relation to the ham. Belly—thick and of even width throughout with full flank. Ham—full-fleshed, evenly covered with fat, of good shape. Back—fat firm and of even thickness within variation allowed. Quality—fat firm and white with proper balance of fleshing and fat in carcass throughout. Skin shall be smooth and show no marked evidence of dark hair roots or pigment.

Grade "B"

Grade "B" may vary from grade "A" in carcasses of similar weight as follows:

Classes 1 and 3:

Shoulder, slightly heavy or slightly fat.

Belly, slightly thin or fat or wide.

Ham, a little thin or slightly fat.

Back, fat slightly uneven on back or slightly deficient or a little overfat throughout the carcass.

Quality—fat a little soft or somewhat out of balance between lean or fat.

Class 2:

Shoulder—slightly heavy.

Belly—thin or uneven.

Ham—a little thin.

Back—fat slightly uneven on back or slightly deficient.

Quality—fat a little soft.

Grade "C"

Shall be well finished and of good quality of fleshing, but may vary from grade "B" by including a greater degree of fat to lean, softness and unevenness of fat, heaviness of shoulder, and roundness of rib.

Grade "D"

May contain overfat, unfinished, rough, soft or oily carcasses.

Lights

This grade shall include all carcasses of reasonable finish and quality within the prescribed weights, but shall not include thin or underfinished carcasses.

Heavies

This grade shall include all carcasses of reasonable finish and quality within the prescribed weights, but shall not include thin or underfinished carcasses.

Extra heavies: This grade shall include all carcasses of reasonable finish and quality within the prescribed weights, but shall not include thin or underfinished carcasses.

Physical injury: Carcasses that have suffered serious physical damage.

Ridglings: Carcasses from ridgling pigs.

Stags: Carcasses from boars which have been castrated and healed.

Sows: All females that have raised one or more litters.

Class 1: Carcasses of good fleshing throughout.

Class 2: Carcasses that are overly fat or very thin.

Rejected or condemned: Carcasses that are rejected or condemned by the veterinary inspector on account of disease.

2. There is a dominion government premium of $3 per head for grade "A" carcasses and $2 per head for grade "B1" carcasses.

Following the discontinuation of the packers premium of $1 per head on A grade carcasses as at April 10, 1944, a differential of 40 cents per 100 pounds between A grade and B1 grade carcasses was agreed to, with prices paid for other grades to be determined by, and based on, actual value.

QUESTIONS PASSED AS ORDERS FOR RETURNS

MUNICIPAL IMPROVEMENTS ASSISTANCE ACT

Mr. BENCE:

1. What is the total amount of loans made by the Canadian government under the authority of the Municipal Improvements Assistance Act, S.C. 1938, chapter 33?

2. What is the distribution of such loans, by provinces and municipalities?

Mr. ABBOTT: Return tabled.

MR. JUSTICE MCTAGUE

Mr. WRIGHT:

What was the total amount of moneys paid Justice McTague by the dominion government during the calendar year 1943 under, (a) salary; (b) per diem allowances; (c) travelling or other expenses?

MOTIONS FOR PAPERS

ALBERTA TAR SANDS

Mr. JOHNSTON (Bow River):

For a copy of all telegrams, correspondence, memoranda, reports and other documents in the possession of the Department of Mines and Resources or any other department of the government relative to the tar sands sent to Great Britain for experimental purposes in 1920 and 1922.

Mr. JOHNSTON (Bow River): I ask that this motion be dropped.

Mr. SPEAKER: Dropped.

WAR LABOUR BOARD—APPLICATION OF RAILWAY EMPLOYEES

Mr. TRIPP:

For a copy of all letters, telegrams, memoranda and reports in regard to the application of Professor John L. McDougall to make representations before the national war labour board in regard to the application now before said board of the Canadian railway employees for an increase in wage rates.

Mr. MITCHELL: Return tabled.

DOMINION ELECTIONS

MEASURE TO ENABLE WAR SERVICE PERSONNEL TO VOTE IN GENERAL ELECTION

Hon. N. A. McLARTY (Secretary of State) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to bring in a measure to provide regulations enabling persons (to

be described as Canadian war service electors) to exercise their franchise and the Canadian prisoners of war to vote by proxy at any general election held during the present war; and also to provide amendments to the Dominion Elections Act, 1938, consequential to such regulations; and to provide further that any expenses incurred in the carrying out of the said measure shall be paid out of unappropriated moneys in the consolidated revenue fund of Canada.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

PRIME MINISTERS' CONFERENCE

VISIT TO CANADA OF PRIME MINISTERS OF AUSTRALIA AND NEW ZEALAND

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): I have a question to direct to the Prime Minister. Perhaps I should preface it by saying that in his absence an inquiry was directed to the acting leader of the government with respect to the prospective visits of the Prime Ministers of Australia and New Zealand. The acting leader of the government at that time was not in possession of full information with respect to the details of the projected visit, but indicated to the house that the invitation extended by the Prime Minister to the Prime Ministers of Australia and New Zealand had been accepted. Is the Prime Minister now in a position to give us any information with respect to the visits of these two prominent gentlemen?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am happy to say to my hon. friend that both Mr. Curtin, Prime Minister of Australia, and Mr. Fraser, Prime Minister of New Zealand, intimated to me that they were much looking forward to being in Canada in the course of the next few days, or at latest the next few weeks—they were not quite certain as to the particular date at which they would leave London. I rather expect that Mr. Curtin will be here very soon, and Mr. Fraser immediately after. I should like to say to the house that I mentioned to Field Marshal Smuts how delighted we would be if he could find it possible to visit Canada at this time, but his house is in session and he will be returning to South Africa. The other gentlemen are each fortunate in having concluded a session.

INQUIRY AS TO REPORT ON PROCEEDINGS IN LONDON

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): I have a further question to which, perhaps, the Prime Minister may not be able to reply at this time, but as to which the house, I am sure, will be glad to have information at an early day. No doubt he will be anxious, perhaps in the immediate future, to discuss the matters which relate to his visit overseas. Is he in a position to indicate whether these will come up in the usual way when the war appropriations for the Department of External Affairs are before the house? If so, is it anticipated that they will be brought up this week, or at a later time?

Right Hon. W. L. MACKENZIE KING (Prime Minister): As I remember, there are two or three items relating to external affairs which appear in the war appropriation. Personally I should be pleased if they could be discussed by themselves and not as part of a general discussion on external affairs, but I would be prepared to take up the main estimates of the department within, I hope, a fortnight. I say a fortnight at least because there are many matters to which I have to give consideration as a result of my absence for a time, and some others which have grown out of subjects which came up for discussion while I was abroad. I shall try within a fortnight, or very shortly after, to be prepared to take up the external affairs estimates and to have discussed on those estimates matters related to the recent meeting of prime ministers, in so far as they can be discussed, and any other questions which may come up under external affairs.

Mr. GRAYDON: That means that the Prime Minister would prefer to have the two or three war appropriation items discussed having regard only to the matters related thereto, and then later, when he introduces his civil estimates on external affairs, the general discussion will take place which I mentioned; is that the understanding?

Mr. MACKENZIE KING: That is it. The items under war appropriation are small ones and might be disposed of in short order; but the others, if so desired, might be discussed at length.

WORLD MONETARY CONFERENCE

INQUIRY AS TO INVITATION TO AND PARTICIPATION BY CANADA

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): Will the Minister of Finance

inform the house if the government has been consulted with respect to the reported calling of a world monetary conference to consider plans for stabilizing international finance and promoting post-war world prosperity? If so, is the government in a position to indicate under the auspices of what nation the conference will be called, and the date and place of the meeting; also whether Canada will be represented at this proposed gathering?

Hon. J. L. ILSLEY (Minister of Finance): There are two questions, and the answer to the first question is in the negative: this government has not been consulted with respect to the reported calling of a world monetary conference to consider plans for stabilizing international finance and promoting post-war world prosperity. We do not know whether such a conference is to be called.

WHEAT

MAILING OF PRODUCERS' CHEQUES FOR 1940-41 PARTICIPATION CERTIFICATES—CONFERENCE OF FOOD SUPPLY BOARD

On the orders of the day:

Mr. E. E. PERLEY (Qu'Appelle): I wish to address a question to the Minister of Trade and Commerce, based on a recent report in the western press that the chairman of the Canadian wheat board had just returned from Britain, where he had attended a conference of the food supply board in Britain. Is the minister prepared to make any statement as to when we can get a report, or shall we get a report, on what took place at that conference, and whether there is to be any change in the system of supplying food to Britain? Also will he indicate to the house to what extent payments have gone forward on the 1940 wheat participation certificates?

Hon. J. A. MacKINNON (Minister of Trade and Commerce): I do not think any report in which the public would be interested will be available shortly with reference to the visit to the old country of the chief commissioner of the Canadian wheat board.

In connection with the distribution of participation certificate cheques, I have not heard recently, but I know that ten thousand cheques went out in the course of the first day and a half, and they are in substantial numbers.

PENSIONS AND HEALTH

REPORT AS TO ESTABLISHMENT OF CONVALESCENT HOMES FOR WAR SERVICE PERSONNEL

On the orders of the day:

Hon. R. B. HANSON (York-Sunbury): I had hoped that the Minister of Pensions and National Health (Mr. Mackenzie) would be in his seat, but I observe that he is for the moment absent; therefore the question I propose to ask, if permitted, may be treated as a notice. I understand that the policy has been announced of erecting five convalescent homes for returned men, three in Ontario, one in Quebec, and one in British Columbia. I might point out that the number of voluntary enlistments for the three services from the maritime provinces is equal to if not better than that of any other part of the country, and I wonder why the maritime provinces are being by-passed.

SELECTIVE SERVICE

POSTPONEMENT OF CALL-UP OF FARMERS

On the orders of the day:

Hon. HUMPHREY MITCHELL (Minister of Labour): On Friday last the hon. member for North Battleford (Mrs. Nielsen) and the hon. member for Laval-Two Mountains (Mr. Lacombe) raised the question of farm workers being called for medical examinations under the National Resources Mobilization Act. I promised that I would look into this matter to see what could be done to prevent these men at this time from being taken away from their farms for several days in order to have these examinations.

As I explained to the committee of the house when the war appropriations of my department were recently discussed, a constant check-up on the status of individuals under the mobilization regulations is made by selective service. National registration took place in 1940, and there have been many changes in the status of individuals since that date Divisional registrars of the mobilization boards are required under the regulations and present instructions to send calls for medical examination. Unless these calls are sent, no one would report.

We have been greatly concerned not to interfere with farm operations, and farm workers are at present instructed to go to the nearest doctor available, generally involving not more than one day's absence. No request for postponement for taking medical examination is refused where the applicant states that to report immediately would impede seeding operations.

No further orders-medical will be sent out until after June 1, at which time more men become callable.

MOUNTED POLICE

ARRESTS IN CONNECTION WITH KILLING OF MAN CHARGED WITH CONSPIRING TO COMMIT INDICTABLE OFFENCE

On the orders of the day:

Mr. LIGUORI LACOMBE (Laval-Two Mountains): I should like to direct a question to the Minister of Justice (Mr. St. Laurent). (Translation): Can the minister tell us now whether two members of the R.C.M.P. have been arrested and charged with manslaughter by the attorney-general of Quebec in connection with the death of young Guénette, of Saint-Lambert de Lévis, who was fatally wounded by the federal police? Has the minister been informed of this matter?

(Text)

Hon. L. S. ST. LAURENT (Minister of Justice): Mr. Speaker, this is the third or fourth time recently that the hon. gentleman has chosen to ask me questions without any previous notice whatsoever. I might be in a position to answer the question as put to-day, but I do not think I should do so.

Mr. LACOMBE: I would ask the Minister of Justice to translate into French what he has just said.

MUNITIONS AND SUPPLY

METALS RESERVE CORPORATION—CANCELLATION OF LEAD AND ZINC CONTRACTS

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): I have here the latest press release of the Department of Munitions and Supply wherein it is set forth that four zinc and lead mines operated in this country for the Metals Reserve corporation are being closed down or suspended, "so that labour and materials involved may be put to better use." I would like the minister to say how many men are employed in these mines and what is the better use to which their employment will be put.

Hon. C. D. HOWE (Minister of Munitions and Supply): The four mines referred to were opened under an arrangement with the Metals Reserve Corporation of the United States. The Department of Munitions and Supply merely acted as agent in the transaction. Recently the supply of zinc and lead has been easier and the contracts have been cancelled by Metals Reserve Corporation, with the resultant cancellation by the department. The production is not required.

Mr. DIEFENBAKER: It is stated here that the labour involved may be put to better use. The question is, how many men are employed and to what better use will the labour be put.

[Mr. Mitchell.]

Mr. HOWE: I have not the employment figures, but I suppose the better use would be to have those men who are producing something that is not required put to work producing something that is required.

INTERNMENTS

CAMILLIEN HOUDE—SITTING OF ADVISORY COMMITTEE

Mr. LIGUORI LACOMBE (Laval-Two Mountains):: Mr. Speaker, I should like to direct another question to the Minister of Justice, not on the same subject. (Translation): Could the minister tell us on what day of the current month the advisory committee called upon to consider the application and the case of Mr. Camillien Houde will sit, at Fredericton?

(Text)

Hon. L. S. ST. LAURENT (Minister of Justice): Mr. Speaker, I had understood that it was the practice of members of this house, when they wanted to put any questions, to give some previous notice to the minister to whom the question was addressed. I have not received any previous notice of this question and I do not think that without notice I should try to answer it at this time.

Mr. GRAYDON: With reference to what the minister has said, I do not think he should carry that principle too far. I suggest that it is a courtesy to the ministry which is very often exercised but it is not one of the conditions precedent to the answering of a question by the minister. It does help the ministry considerably in making the answer on the particular day on which the question is asked, but I would hope that the ministry would not take this suggestion made by the Minister of Justice as a precedent for the future. I think most hon. members will want to be free to use their own discretion as to whether that courtesy should be extended to the cabinet or not.

Mr. SPEAKER: The only objection I have to the asking of questions such as are being put before the orders of the day are called, where a member takes refuge in the fact that he has sent a notice to the minister concerned, is that an attempt is made to have questions answered which should be placed on the order paper—and some of the questions asked to-day should certainly be put on the order paper.

WAR APPROPRIATION BILL

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

The house resumed from Friday, May 19, consideration in committee of a resolution to

grant to His Majesty certain sums of money for the carrying out of measures consequent upon the existence of a state of war—Mr. Ilsley—Mr. Bradette in the chair.

DEPARTMENT OF AGRICULTURE

Agricultural supplies board—administration, $51,300.

Mr. SENN: This appropriation calls for $51,300 for the administration of the agricultural supplies board, which was set up, I understand, in September, 1939, under order in council P.C. 2621. The duties of the board are clearly set out in the order in council. They are very wide and comprehensive. There are a number of them, but I think I should place on *Hansard* the first duty of the board as it is laid down in the order in council:

To direct and regulate through the various dominion and provincial agricultural services and through advisory boards representative of the industry which are already constituted or which may be established, the production, preparation and conservation of farm products.

A little farther down it gives the board power:

Subject to the approval of the governor in council; to deal with matters pertaining to the purchase of agricultural products.

I believe that opens up in a general way the whole question of agricultural production and of the collection, processing and marketing of farm products. I should like therefore to take this opportunity to deal for a few moments—and a few moments only—with the agricultural situation in Canada as I see it. It is true that these estimates relate closely to the civil estimates, some of which have already been discussed. It is however very difficult, as I pointed out when the civil estimates were first being discussed, to separate the two; therefore if in the course of my remarks there may be some overlapping or some repetition I am sure that the committee and the minister will consider that it is unavoidable.

I believe that everyone in Canada, and particularly the farming population, should view with a good deal of pride the high level which our agricultural production has reached. There has been a steady increase in that production each year since the war began. On several occasions the Minister of Agriculture has presented figures to the house showing this to be true. I think it is only fair to say that in the course of his remarks he has sought to give credit for that increase in production to the Department of Agriculture and to the government generally. In doing so he has been backed up more than once by hon. members on the government benches, who have from time to time sought to attribute the increase in agricultural production to the minister's activities and to government policy.

When the civil estimates were before the committee on February 18, I recall that the hon. member for Moose Jaw, the hon. member for Macdonald and the hon. member for Brant made statement to the effect that this increase in agricultural production was largely due to government policy. In fact, their remarks were so flattering that I could not help thinking that a parliamentary assistant to the Minister of Agriculture may be appointed at some future time and hon. members were vying with each other as to who would have the best chance of getting the position.

Mr. HANSON (York-Sunbury): Too many applicants.

Mr. SENN: In fact, their desire to give credit to government policy for the increase of agricultural production reminded me of a comic strip I saw not so very long ago. Two little boys wanted to go fishing, but they had no tackle. They went to their father about it but he did not listen and would not provide any tackle. However, in the way that boys generally have, they managed in some way to acquire fishing poles, lines and hooks. They went out and had a very successful day; they caught a lot of good fish. The final section of the comic strip showed the father standing proudly with a smile on his face, holding up the fish and having his picture taken, and taking the whole credit to himself. It seems to me that is the attitude of some hon. members on the government benches in regard to agricultural production and the general agricultural situation in Canada to-day. As a matter of fact the increase in our agricultural production is not because of but in spite of government policy. We must all admit that Divine Providence has given us a bountiful harvest, and for that we should be duly thankful; but after taking that into consideration I believe the farmer himself is entitled to the credit. He has achieved remarkable results, and he has achieved them in the face of great discouragement and difficulty.

I should like to point out a few of the difficulties. At the beginning of the war the farmer was in a weak financial position. Years of low production and low prices had resulted in a heavy burden of debt. The depleted condition of the farmer's buildings, fences and equipment, and sometimes his live stock, was mute but none the less convincing evidence of his weakened financial position. Everyone knows that without capital no industry can succeed, and that it is working under a severe handicap.

The second difficulty under which the farmers have been labouring ever since the war began is that of insufficient prices. I will admit immediately that prices are somewhat more favourable to-day than they were at the beginning of the war, but there has been and there is still an improper relationship between the prices of the farmer's products and the prices of the goods and services that he has to buy. This is due in no small measure to the policy of the government and to their attitude with regard to the price ceiling and the application of this price ceiling not only to farm commodities but to what the farmer has to buy. The lack of parity between farm prices and other prices results from the wrong foundation laid by the wartime prices and trade board when price ceilings were established. No one will deny that the price of farm products went out of line with other prices during that period. The period chosen was October 15 to November 11, 1941. The price ceilings have been calculated on that basis ever since; therefore the farmer has been at a decided disadvantage so far as the price structure is concerned.

The third difficulty I should like to mention is that of labour shortage on the farm. It is true that the farmer's efficiency has been greatly enhanced by the increased use of power machinery, but here the farmer has again been at a disadvantage because often he has not been able to procure the machinery he needs. There has been a dearth of supply. Sometimes priorities have been to blame. It is an open secret among the farmers of Ontario that they have not been able to purchase the supplies that would have been available from the United States because of government and board interference.

No one will deny that there has been a labour shortage; it still exists. Just the other day I read in one of the labour reviews that between March 1939 and March 1943 over 100,000 men had left the farms to go into the army, the navy and the air force, and over 250,000 men had left the farms to go into industry of all kinds. In spite of this drain, however, agricultural production in Canada is some thirty per cent higher than it was in 1939. It is interesting to note that agricultural production per worker in Canada is over fifty per cent higher than it was in 1939, owing, of course, partly to the bountiful harvest which we have had, but as well to the increased labour of the farmer. This increase in agricultural production has been brought about often at great sacrifice, not only on the part of the farmer himself, but on the part of his wife and family who have perhaps done from time to time more than their share.

Another factor in the labour situation is the increased cost of labour on the farm. I have already mentioned that the prices of agricultural products are somewhat higher than they were at the beginning of the war; but it is also true that the price of labour on the farm has gone up to a far greater extent than the price of farm products. To-day labour on the farm, when it can be found, is enjoying wages twice and sometimes three times as high as it was before the war began.

I have often wondered why it is that farmers are expected to carry on and to prosper without a fair share of the national income. I have often heard it said that if farmers were to keep books as other industries do, and provide for depreciation, repairs, wages and all other incidentals, they would never put a plough into the ground because they could never show a profit. That fact is all the more deplorable, because Canada, with her vast agricultural areas, is and must continue to be an agricultural country. Prosperity of the farmers is the key to national prosperity. I believe that is a statement with which everyone will agree, particularly in a country such as this. Therefore too great consideration cannot be given, in any scheme for reconstruction, to the welfare of agriculture.

Another disturbing consideration in our national economy is the fact that although agriculture is so important, our farm population is gradually declining. As we look at the census figures for different decades we find there has been a steady decrease. The 1941 census shows 45 per cent of our population classed as rural, but of that percentage only 27½ per cent consists purely of those who are on the farms and are classed as farmers. The other 18 per cent is vitally interested in and closely connected with agriculture, of course. The 55 per cent who are not at all classed as rural are also vitally interested in the farmer's prosperity.

In 1940 our capital investment in agriculture in Canada amounted to about four and a half billions of dollars, made up of land, buildings, equipment, and live stock. The outlay of the farmers for building materials, equipment and repairs affects to a great extent the welfare of all the people. Everybody is vitally interested in the ability of the farmer to spend. The other day I found a paragraph in the report of the advisory committee on reconstruction, dealing with agricultural policy,

which I believe would be of interest to hon. members. This is what I find at page 8, relating to volume of business:

> Closely related both to the number of persons engaged in agriculture and to the capital investment in the industry is the volume of business, or the proceeds from the employment of labour and capital. In 1942 the gross value of Canadian agricultural production was $2·1 billion. Of more significance, however, is the cash income from the sale of that portion of the output that eventually reaches the market. This figure, $1·1 billion, represents the amount the farmers of Canada had to pay their hired help, maintain or improve their plant and equipment, pay taxes, and provide for the well-being and education of their families. Most of this money is spent immediately—much of it, in fact, was actually spent before it was received—and its contribution to rural and urban development is both direct and significant.

I read that because I believe it bears out what I have been trying to convey to the house, namely, that upon the prosperity of the farmer depends the prosperity of a country such as Canada.

When the Minister of Finance spoke, closing the debate on the Bank Act, he mentioned that there have been in Canada cycles of prosperity and of depression. This is true, and it is a condition which I believe will always remain. It is unfortunate however that the farmer is usually the first and greatest victim of depressions. In support of that contention I point to a fact which in my opinion is important. Distribution of national income varies as between times of prosperity and times of depression. When we compare the farmers' share of the national income in the basic year 1926, which is often used as a basis for comparison, with the farmers' share of income in depression years, we find that during the depression, farmers' income was only 45 per cent of the share which they held in 1926.

If we take the group of salary and wage earners we find that the share of the national income they enjoyed in the depression years amounted to 91·6 per cent of that enjoyed in good years. The investment income group were even better, at 94 per cent. It is clear therefore that during depression years the farmers' share of income dropped 56 per cent, while that of other groups dropped only six per cent or nine per cent. I believe this condition is to a great extent responsible for lengthy depressions. When the farmer cannot purchase consumer goods the result is unemployment of other groups in the community. There is no doubt in my mind that the purchasing power of the farmer cannot be as effective as it should be until a proper relationship is developed between agricultural income and the income enjoyed by other groups. Despite any increase there may be in farm prices, and despite what may be contended by members of the government, that relationship is not satisfactory to-day. And if we need any proof we need only look at an item further down in the estimates where we see the government has provided $47,000,000 for farm subsidies.

After the price ceilings were established in 1939 it was very soon found either that the ceilings must be changed or prices to the farmers must be supplemented. The government—the wartime prices and trade board, or whoever was responsible—decided to provide subsidies. For some time those subsidies were meted out by the Commodity Prices Stabilization corporation. Last year—I believe it was either May or June—a change was made, and this work was given over to the agricultural food board. The minister might very well explain why the change was made. Although I have no doubt he has a good reason for it, I should like to know what the reason is.

I have already pointed out that, in the last census, farmers constituted some 27½ per cent of the population. But their percentage of national income was much lower than that. Figures received recently from the bureau of statistics show that despite their percentage of population, in the four war years the farmers' share of national income amounts to only 13·4 to 14·5 per cent. I cannot use the figures for 1943, because they are only estimated, and I have been asked not to use them. But if we take the figures for 1942 they show that the national income was some seven and a half billions of dollars. Of that amount the farmers' share was $1,084,000,000 or 14·5 per cent. If we add to that the whole $47,000,000 provided in the estimates for farm subsidies, we find that farmers' income amounts to only about fifteen per cent of the total income. I want to emphasize as strongly as I can the need for some action which will provide more equitable distribution of the national income as between agricultural and other groups.

Farmers are looking forward with a good deal of hope and expectation to the action announced by the government in the speech from the throne to provide floor prices for agricultural products. In the past it has been the practice to accept the consumer price as the basis for the farmers' price structure. From the consumer price must be deducted profits of the retailer, the wholesaler, the processor and the collectors of farm produce. The farmer —the primary producer—has had to take what is left.

In support of the point I am making I wish to refer to a statement made by Mr. Stanley McLean, head of Canada Packers. When he

appeared before the price spreads committee he bore that statement out to the full. It seems to me the time has come when the system should be entirely reversed. In my judgment there should be a producer price based upon the cost of efficient production. The profits of middlemen, such as collectors, processors and distributors, should be sufficiently liberal to provide an incentive for them to operate, because we must have them to process and distribute our goods, but I believe there should be government interference if their profits are exorbitant or there is evidence of speculation so that they exploit either the producer or the consumer.

As we go through the estimates I shall have an opportunity to discuss other matters, but at the moment I want to discuss just one point which I have mentioned to the house more than once previously. I refer to the personnel of the various boards which have been set up and which come under this item. I have in mind the agricultural supplies board; the meat board, formerly known as the bacon board; the special products board; the agricultural food board, and the dairy board. In addition we have two other boards which from time to time have dealt with farm products as to prices and so on; that is, the wartime prices and trade board and the commodity prices stabilization board. All these boards deal with agricultural matters, but I am sorry to say that there is not a representative of agriculture or a primary producer on one of them. On the meat board we have a representative of the packers and a representative of the transportation companies. There are no producers on the dairy board, but there is a representative of the distributors and a representative of the shippers. I have brought up this matter on a number of occasions. I presume the minister's answer will be, as it has been in the past, that the government have set up advisory boards on which there is producer representation, but none of these advisory boards has any power. They may be consulted by the other boards, but I have heard it said that very often decisions are reached and policies enunciated and then sent to the advisory boards for their consideration, after the thing has been done.

I am not bringing up this matter in order to criticize, but the farmers feel very keenly indeed the fact that there is no producer representation on these boards, which are composed principally of members of the Department of Agriculture. All these boards are more or less interlocking; that is, you may find one man on two or three of them. These are estimable gentlemen, and I do not want to find any fault with them. I know they are

industrious, capable and honest, but I do not believe any of them is a primary producer, and I think they might very easily get a different viewpoint if they had some producer representation on these boards. Once more I appeal to the minister to change his policy in this regard. For his own sake, for the benefit of agriculture, and in order to put farmers in a better frame of mind, he should see to it that there is producer representation on these boards.

Mr. LACOMBE (Translation): Mr. Chairman, since we are on agricultural appropriations and production, I renew my request for full and final exemption for farmers from military service. Who could estimate the amount spent in travelling expenses and the time lost by farmers because of the way the Mobilization Act is presently enforced? Why insist on medical re-examinations when the family doctors have already categorized the men who have been called up? Is it reasonable or fair, Mr. Chairman, thus to belittle the undeniable qualifications of the civilian physicians and the service they have rendered their country? I say it is an uncalled for insult to men who have devoted their time and made sacrifices for the government and the Canadian people.

As for the agricultural situation in Canada, it is becoming more and more alarming. The lack of market for hogs and other meat cattle, added to the scarcity of farm help, during the last few months, have created an unbearable situation. Ask the farmer who has sold hogs and beef cattle since last fall what treatment he has received at the hands of Canada Packers and other similar trusts, whom the government should bring to their senses.

All the necessary powers are vested in the ministry to guard our farmers from those heartless firms, who have been taking advantage of them and swindling them for so many years. The government and the trusts have to take the blame for the spoilage of millions of pounds of meat, while our civilians were rationed and large families and young children were suffering from hunger. I urge the government to see that such a deplorable state of affairs never recurs as it is a shame for our country. That is all.

Mr. WRIGHT: I listened with a great deal of interest to the speech of the hon. member for Haldimand in regard to agriculture in this country, and I concur in many of the things he said. However, I felt that the effectiveness of his speech was somewhat lost when I remembered that he was a member of this house from 1931 to 1935; that his party was in power in those years and he was chairman

of the agriculture committee, and that during this period agriculture received the lowest share of the national income that it has ever received in Canada's history.

Mr. GRAYDON: To what party did you belong?

Mr. WRIGHT: The party to which I still belong. As a matter of fact at that time I believe agriculture received less than nine per cent of the national income. Even to-day we are not getting our fair share of the national income, but still we are a great deal better off than we were during the years I have mentioned. I think that deeds count for more than words when it comes to endeavouring to improve the position of agriculture. I do not propose to follow the remarks of the hon. member, but I should like to pay a compliment to the producers of this country for the way in which they have increased production under great difficulties, particularly in regard to the amount of labour that has been available to them. When you consider the number of men who have gone from agriculture, and consider further what agriculture has been able to do during this war period, the record is a remarkable one.

I should like to draw the minister's attention to the matter of increasing the supply of farm implements. In the agriculture committee last year we were promised that there would be a considerable increase in the amount of farm equipment made available during this year. That increase has not come about as yet, at least from information I have received from western Canada; they are in an even worse position than last year in regard to the number of new implements available. I believe the minister would do well to bring this matter to the attention of the departments that have the responsibility for seeing that the necessary release is made of steel and other raw materials required in the manufacture of agricultural implements.

With respect to coarse grains, I believe they should be handled entirely through the wheat board. Last year the wheat board took over complete control of the handling of wheat and flax, which was taken entirely out of the hands of the speculative market. But this has not been done with coarse grains and the result is that the government has had to pass a number of regulations to control and direct the people who are at present handling coarse grains in Canada. It has been a bigger headache to the wheat board than if they had been handling the whole thing themselves, both as regards making coarse grains available to feeders in eastern Canada and as regards exports. I see no reason why all our grain should not be handled entirely through the wheat board. I think it would be to the advantage of everyone concerned. But apparently the government is determined to keep a nucleus of the Winnipeg grain exchange alive so that it may again start to function as soon as the war is over. I see no other reason why coarse grains and rye should have been left under the present set-up. I know that the farmers of western Canada are firmly convinced that the speculative market in Winnipeg should be got rid of at the earliest possible moment. It is pretty hard to convince them that the selling of their crop six or seven times over on the speculative market adds one more bushel to it or changes its quality whatsoever, and it is equally hard to convince the consumers that because the grain has been handled several times on the Winnipeg market the price of bread is thereby decreased. Certainly everything that is taken out of the price of the grain between leaving the farmer and reaching the consumer comes out of either the producer or the consumer. We believe that that spread could be recouped if the grain were handled through the wheat board.

Another matter I would bring to the minister's attention has to do with the rebate on feed grains. At present in western Canada men who are engaged in the feed business but who do not operate a farm are able to obtain a rebate of 10 cents a bushel on oats, 15 cents a bushel on barley and 25 cents a bushel on wheat for feeding purposes. The minister in reply to a question by the hon. member for Selkirk, said, when his estimates were before the committee last, that the government was not particularly interested in the people who were operating feeding lots.

Hon. J. G. GARDINER (Minister of Agriculture): I am sure that my hon. friend does not want to misrepresent the situation. There are no rebates paid to people who feed grain. There is an extra amount paid to the farmer who delivers to the elevator.

Mr. WRIGHT: The man who buys it from the elevator gets a rebate of 10 cents.

Mr. GARDINER: No, the man who buys it from the elevator buys it at the ceiling price, but the man who sells the grain gets an extra 10 cents on oats and an extra 15 cents on barley. There is no rebate for the person who buys it.

Mr. WRIGHT: It amounts to that so far as the farmer who is feeding the grain is concerned, because he feeds that grain at the ceiling price plus 10 or 15 or 25 cents a bushel as the case may be. It means that the man

who is operating a feeding lot and is feeding the grain gets it cheaper than the producer who is feeding the grain.

Mr. GARDINER: There are costs in connection with it that have to be taken into consideration—costs, for instance, in moving the grain from one place to another, as against feeding it right on the farm.

Mr. WRIGHT: But the farmer has to pay those costs in delivering the grain to the elevator.

Mr. GARDINER: The farmer who purchases it to feed pays just as much as the other in getting it moved to his farm.

Mr. WRIGHT: All he has to pay is the cost of handling at the elevator and the cost of taking it from the elevator to his own feeding lot. That gives to the man who is operating a feeding lot an advantage over the farmer who is feeding that grain on the farm. The farmer who is feeding the grain on his farm should receive some consideration, if the minister wants to see the production of stock in Canada kept at its present level. Sometimes I wonder whether the minister is anxious to see agricultural production maintained at its present level. At all events his policy with regard to feed grain in western Canada does not so indicate. I feel sure the minister will find that within the next year there will be a considerable reduction in western Canada because of these differentials. The minister would do well to consider giving to the farmer that extra 10 or 15 cents a bushel on the grain he is feeding on his farm.

There is also the matter of malting barley. At present there is a premium of five cents a bushel on malting barley. In the United States the premium is from 20 to 30 cents. If the producer in western Canada were able to ship his malting barley to the United States he would receive from $1.20 to $1.40 a bushel. If he sells it in Canada he receives 69¾ cents a bushel, plus a premium of fifteen cents which is paid by the government, or a total of 84¾ cents. I do not know whether the maltsters in this country are paying to the government the 15 cents a bushel which the government allows to the farmer as a premium, but even if they are, they are still getting their malting barley very cheap as compared with the United States price. The premium in Canada is not sufficient. I believe it should be increased by at least ten cents a bushel. It would not mean any inflation so far as Canada is concerned, because at the present time the government, through the excise tax, if the figures given to the house a year or so ago by the hon. member for Portage la Prairie are correct, receives 12 cents a pound on malt in the form of excise tax. There are 37 pounds of malt in a bushel of barley, so that the government receives $4 a bushel in taxation on every bushel of barley that is malted in Canada. The additional ten cents a bushel which I advocate for the producer of malting barley in western Canada would mean much to him, and very little either to the maltsters or to the government.

With respect to the distribution of coarse grains as feed in eastern Canada, at present the coarse grains are distributed through various feed firms in the east. As I understand it, the grain is sent down the lakes and placed in terminal elevators by the various firms that handle it, either commission or grain firms, and from there it is purchased by the eastern feeders. My understanding is that during the winter months, when feed grain was short in western Canada, certain of the distributors in eastern Canada purchased greater amounts of this grain than was needed, in some cases, in their particular districts. As a result the government found that there were areas in which there were shortages of feed and they had to step in and bring pressure to bear to see that this grain was distributed to other firms. In certain cases grain was sold three or four times before it reached the final consumer, thereby adding to the cost of the grain to the consumer in eastern Canada. If that is so, and I believe it is, something should be done about it.

Also the government should keep a closer eye on the quality of feeds which are sold in eastern Canada. I was in the eastern provinces last winter, and at a meeting one evening a gentleman spent ten minutes giving me a calling down on the quality of the grain which the western pools were shipping to eastern Canada. He had with him a sample of ground barley meal, and apparently blamed western producers and shippers for the quality. I explained to him that we had nothing to do about it, that apparently eastern dealers were mixing various low-grade materials with this meal. The producers in eastern Canada would be well advised to join their own cooperative organizations and secure feed through these organizations, which could buy it direct from the western cooperatives, so that nobody would be handling the feed except themselves and it would be to nobody's advantage to adulterate it. I know that there are certain standards governing various grades of feed sold in eastern Canada, but after seeing some of the feeds down here I am convinced that a tightening up as respects these standards should be made and a more

thorough inspection should be had of the samples to see that they are kept up even to the standards required at the present time.

Another matter with respect to feed about which I have had complaints from different parts of eastern Canada is that men who wish to purchase feed are compelled by the dealers to take also a certain amount of flour. If they buy a half ton of feed they must also purchase a considerable quantity of flour. One man took me out to his granary and showed me several sacks of flour "enough", he said, "to last me if I live to be a hundred, but I can't buy feed unless I take flour each time." I do not think his local dealer was to blame. Perhaps the large milling company who supplied that local dealer was forcing him to take, with his regular supply of feed, a certain amount of flour.

Mr. GARDINER: I think that has now been corrected.

Mr. WRIGHT: I hope it has been. I know there were many complaints about it. It was a condition which should not have been allowed to exist. I know it existed three months ago. At that time I had one particular complaint with respect to it. Apparently these milling companies, because they are subsidized in the price they are paying for wheat, are making a nice profit on the handling of flour and they were forcing their dealers to take flour in order to obtain their feed.

There are several other matters which I wish to bring to the attention of the minister, but I will do so as the individual items are taken up.

Mrs. NIELSEN: In any discussion generally on the question of agriculture and its place in Canada, it is necessary for us to consider and agree that food production as it exists at present must be maintained for the period of the war, and that possibly food increases will be necessary after the war. This premise is necessary first of all for the projects we contemplate through our work on UNRRA and also for the fullest inplementation of the section of the Atlantic charter which deals with the freedom of the people of the world from want. It is a fine thing for those of us who for several years have lived in agricultural parts of Canada, particularly the west, to realize that food has become such a powerful weapon of the united nations. At the present time it is one of the most important weapons in their arsenals, though it may be almost a paradox that while most weapons of war are death-dealing, food as a weapon in this war is a means of sustaining life.

Not only must we step up our programme of food production for the purposes of the war, but Canada's agricultural policy must be much more far-reaching. During the Hot Springs conference, when it was decided to set up an interim commission and to have one representative from each of the forty-four nations to draft a constitution for a permanent food organization, Canada was recognized among the nations as having a great part to play. Mr. L. B. Pearson, who was one of the members of the important committee on supply of UNRRA, writing in *Canadian Affairs* magazine, April 1, 1944, said this:

> Peace sits uneasily on an empty stomach. . . . When the United States and United Kingdom governments decided some time ago that the united nations should begin the process of organizing for peace, they did not convoke an assembly to discuss general political or economic matters. The first united nations conference in May 1943 at Hot Springs dealt with one question only, and an essentially practical one, "Food and agriculture." Hence the first permanent united nations organization set up in the world will likely be that on food and agriculture, now being worked out in Washington by the interim committee representing the forty-four nations.

It would appear that in the past wars have been mostly of a destructive nature. Possibly this war is different from all others which have preceded it in that it is producing more new and constructive types of thinking. One of the most constructive lines of thought which are being developed concerns this question of cooperation of peoples after the war, to see that the want which prior to this war had devastated such large regions of the earth shall never again prevail. In other words there will be a great impulse to further cooperation among the nations. I am glad to see that our own government is giving a constructive lead on this particular question. I do not like always to quote from United States authorities on this subject, and I am glad to be able to cite the words of Doctor Barton, our own deputy minister of agriculture. In a statement to the press which was reproduced in the Ottawa *Citizen* on June 2, 1943, he is reported from Washington as follows:

> Canada will be required to increase food production, not only in the immediate post-war period, but in the years to follow, if the recommendations of the united nations food conference are carried into effect.

Doctor Barton continued:

> The whole picture, as it has been developed here, should appeal to Canada because it is one of expanding agricultural economy.
>
> The deputy minister went on to say that in the period of shortages immediately after the war there will be need for orderly marketing through some form of international arrangement and, even in the long-range view, it may

be necessary for some farm products. "To that end," he continued, "we may have to join with others in recognizing that some form of co-operative production may be required."

In viewing the vast perspective which now opens up before us in this new era of peaceful development which we believe will be possible after the war, two things stand out in my mind most clearly. First of all, food production must be increased according to this country's ability to produce certain types of food more cheaply than other countries can produce them, in the first place for the immediate purpose of present war needs and for relief schemes; and secondly, food increases must be maintained and absorbed to a far greater degree than before by our own population through gradually achieving higher standards of living.

Canada's farm requirements, we must recognize, have depended in the past upon the income of her people, but food requirements are not like other things. They are a basic necessity for the life and health of the nation, and we should not judge food by the ability of the people to pay for it; we should judge the quantity of food needed by the accepted standard necessary for health. In 1940 the average consumption of food in Canada was roughly 1,038 pounds per year per person. That was a fairly high average, taking into consideration the food consumption of other peoples of the world. But without doubt we must realize that numbers of our own people could to their great advantage increase the amount and quality of the food they eat.

In certain surveys made in Canada just prior to the war, I think we can find evidence enough to prove that a larger consumption of food in this country is still a desirable thing. Studies made just before the war among numbers of families in the country show that when the average income was anywhere from $1,000 to $2,000 per annum, these families used an appreciably larger amount of protective foods than did those families whose income was below $1,000 per annum. Those who received from $1,000 to $2,000 used on an average 12 per cent more meat, 10 per cent more milk, 10 per cent more eggs, 7 per cent more fish and a larger amount of vegetables, fruit and butter than those who received less than $1,000 a year. These same studies would indicate that the more well-to-do families whose income was anywhere above $4,000 a year ate far more of the nutritionally important foods which give the human body a greater fighting chance to resist infection and disease. This income group, receiving over $4,000 a year, ate 50 per cent more fish, 34 per cent more meat, 38 per cent more milk, 15 per cent more eggs and a proportionately larger amount of fruit, vegetables and butter than families earning less than $1,000 a year.

The point is that if the people of Canada were able to procure the amount of food which it is necessary for them to have for their health, we should need more food than we were having prior to the war for our own home market. The same Canadian council on nutrition stated, that in order to bring the adequate level of nutrition of all Canadian families up to the desired point, we would need roughly 1,500,000,000 pounds of food a year in the form of milk, eggs, meat, vegetables, dried beans, small fruits and things of that kind.

It is all very well to speak of Canada, and Canada of course is of greatest importance to us when it comes to the welfare of our people. But we must recognize that our own standards are very much better than those of many others in the world. If you come to consider the question as it affects some of the other nations, you realize what scope there is for the increase of food production if we are to implement those clauses of the Atlantic charter which declare that no people should suffer from want. The report from the mixed committee of the League of Nations before the war showed that in the countries with the largest surplus of food, such as Canada and the United States, there was still a considerable amount of malnutrition, but it was nothing in comparison with the conditions that prevailed in India and China. Take one food product, such as milk. In Canada there are three or four people dependent on the milk of one cow, whereas in China there are roughly fifty thousand people to every cow. This will give some indication of the need for an increase in live stock if we are to supply the needs of the people of the world to give them the health conditions to which they are entitled.

In normal times it is estimated that in China about 8,000,000 people die of malnutrition every year, and in India the condition is similar. Diet deficiencies are causing infant mortality, blindness, crippling of children, and this condition is widely prevalent among India's 400,000,000. In the last disastrous famine in India, roughly 1,000,000 people died from malnutrition. In Africa, Mexico, South America, Egypt, and in other parts of the world you find malnutrition and diseases resulting from diet deficiencies. Estimates made by the same committee of the League of Nations show that of the 2,100,000,000 people of the world, roughly two-thirds, or 1,400,000,000, have always eaten diets consisting of

about eighty per cent of cereals and potatoes, though the health authorities say that a good diet should contain only about twenty-one per cent of cereals and potatoes, the rest being made up of protective foods.

If peace can be maintained with some degree of security after the war by the continued collaboration of the nations of the world it will make a great difference to the ability of many countries to grow food. For instance, many of the countries of Europe, if they were freed from war, or at any rate from the fear of war, would be able to reduce certain of their cereal crops and animal products which before the war they insisted on producing in their effort to be self-sufficient. If in the future they are not in fear of war they will cease to grow these things and buy them from countries like Canada which can produce them more cheaply, and in Europe the farmers will concentrate to a far greater degree upon the production of such things as milk, eggs, fruit and vegetables, so that their own diet will be of a greater variety. That will add greatly to the ability of the farmers of this country to continue the exports of food which they can grow. Therefore a great deal of the agricultural problem of the world depends upon the ability of the united nations to collaborate in trade agreements whereby those who can produce certain types of food shall be encouraged in such production, and whereby free trade with other countries who are producing types of food different from those produced at home will bring about better results.

It becomes very clear to all of us that if the people of the world are to be free from want, if we are to see that food is available for all, it will be necessary for us to ensure that people are in a position to buy food. That of course is the other part of the problem. There must be employment. There must be increased industrial production and there must be free international trade. We can remove the devastation of poverty and hunger from the world only if we see that certain selfish interests and political prejudices no longer are in a position to deny to the people of the world their free access to food. I think we should all back up the statement which was made a while ago by the vice president of the United States of America, Mr. Wallace. He said:

> Whenever these forces, of special privilege and international monopoly are found, our job is to fight them.

For surely the winning of the peace is bound up with the regulation of food supplies to the peoples of the world.

The agricultural workers of Canada have done remarkable things during this war to increase production. I think that all of us who come from agricultural constituencies have a great deal of pride in the fact that with their limited supplies of man-power, and with women and children having to help out considerably in the fields and during harvest time, the farmers have increased the food production roughly by about forty per cent.

Farming, of course, is not like industry. It is not possible to regulate farming on such short notice. You cannot say this month that you can increase your stock or increase the production of certain farm commodities next month. All farm planning has to be of a far longer and greater range. It would seem to me that our farmers at the present time are greatly in need of more assurance from the Department of Agriculture—or perhaps I should say from the Minister of Agriculture—of the necessity for maintaining, and the possibility of increasing, or rather the necessity for increasing, food production in the future. We should have surveys made as to the types of food which will be the most cheaply produced in Canada, and therefore the foods which we should concentrate on growing when the war is over. I know that the Department of Agriculture is doing work in this connection but I still feel that there is greater need to bring this information more closely to the farmers to get them to understand. Some people are expressing fear on the question of making gifts of food after the war is over. Some farmers are even a little dubious as to whether it will be the correct thing for us to do. Here again I believe the Department of Agriculture should show to the farmers how, if the nation as a whole takes on the burden of paying for food to give to other countries, and if at the same time the farmers themselves are guaranteed a fair price, that in itself will be of the greatest good to Canada; because that increased food production with fair prices to the farmers will assure them of being able to buy many things which industry can supply. It will provide employment to the industrial sections of Canada and set a cycle for an increased standard of living throughout the whole of the country.

Generally speaking I would say one of the most important things with regard to agriculture at the present time is to insist on Canada's taking a very strong position on all the boards of the united nations relief and rehabilitation administration and in all matters pertaining to the setting up of trade relations with other food producing countries.

With regard to our own farmers, I cannot help but emphasize—even though the Minister of Agriculture may be sick of listening to these things which have been stated many times, I do not think we can reiterate them too strongly—the necessity of our farm people having the opportunity to obtain for themselves short term loans and credits through a special agricultural bank, something like the farm security administration in the United States, which has been responsible for such a tremendous increase of food from the smaller types of farms.

Without the shadow of a doubt I believe that our farming people should be guaranteed not only by the federal government but by the provincial governments security of tenure on their land, so that, instead of looking forward only a year or two ahead, they will begin to plan for a long future, in order that the people on the farms can have a stake in the whole rehabilitation programme of Canada in the era of peace.

Undoubtedly the machine problem is a difficult one to solve. In the areas where we have the smaller farming districts which are engaged in mixed farming it is not sufficient for the government to allow a certain quota of machines to be sold. The man who has a farm of a certain size, and the ability to buy a machine, is not always the person who should have it. We would find it of greater value to have certain new machines placed in machinery pools; many farmers would then be in a position to hire a machine, which in many instances could be used on many more farms than a machine purchased by one man. In the smaller mixed farming areas machinery pools and machinery repair depots should be set up under the care of the federal government and its jurisdiction. Repair depots are just as essential as supply depots, because much of the old machinery will still be available. The great difficulty at the present time is the lack of repair centres.

Then there is the question of floors and ceilings on all agricultural products, with a guarantee of at least two or three years in the future. It cannot be denied that that is something which the farmers are seeking before they go into any increased production, particularly of live stock, with any degree of certainty.

The representation of farmers on marketing boards has been dealt with by the two hon. members who preceded me. I can only say that I am in agreement with what they have said. Definitely the farmers themselves are only too anxious to cooperate in all these matters of marketing, but they have in large measure been left out of the discussion on marketing boards, and for that reason I believe they feel that there are many things in connection with marketing which are not just as they should be. They feel that they have many suggestions to offer which I am sure the Minister of Agriculture would find to be not only to the farmers good but to the general good of agricultural production.

I should like to emphasize—and I believe the minister is in agreement with this—the necessity for the extension of the Prairie Farm Rehabilitation Act to cover the whole of the dominion. In the rehabilitation period, when we have the returned men taking up farming again, and are considering the problem of the best areas for the production of certain kinds of food, I believe there will be the necessity for moving certain of our farmers from submarginal lands and leaving those areas for grazing and reforestation. Our farmers are justified in asking that in the processing of foods there will be more government supervision through greater control of the middleman. Amongst the farmers of western Canada there is resentment because they realize there is an appreciable difference between the prices paid for their raw products and the prices asked for the product which is placed on the market after passing through the hands of one or two middlemen. Definitely there should be an investigation in this sphere to limit or to hold down at least the profits of the middleman. To assure a fair share of the prices to the producer would be something to give satisfaction to the farming people.

I do not feel that any thing should be emphasized more than the necessity for planning and giving to the farmers a clearer understanding of what is to be required of them in the future. The resentment which is still felt—and I urge upon the minister that he realize that this resentment exists in western Canada—is based on the fact that the farmers do not know soon enough ahead of time what is to be required of them. The hesitancy which has been part of their whole attitude toward increased agricultural production would thereby be removed.

When we come to the peace period and thousands of men are being returned to the farms, definitely we should have further provision made for farm labourers. Farm labourers should come under the unemployment insurance provisions, so that we may guarantee to them a definite standard of living and make them feel that their job is to be well paid and recognized as a part of the great industrial development of this country.

These are matters which I believe more than any other are important to the development

of agriculture. Members who come from agricultural constituencies must take pride in the fact that the production of food and the increased output of agricultural products in Canada will play an important part not only in the winning of the war but also in the stabilization of the peace to follow.

Mr. WINKLER: I was interested a few moments ago to listen to the speech of the hon. member for Melfort. He referred to the difference in the price of barley sold on the United States side for ordinary feeding purposes and for malting purposes. Last fall it so happened that nearly all the crop I had for sale in my farm in Manitoba was barley. Inasmuch as the elevators were almost full, and I could not sell very much of it, I obtained export permits from the wheat board to sell my barley on the United States market.

Then, in December, when I was ready to sell it, unfortunately the United States elevators close to my constituency filled up. Since I wished to sell in one quantity all at once, I could not find a place to market it. At that time I believe the bonus for malting barley was between five and ten cents at United States elevators in North Dakota. I was anxious to get that bonus, because it would have meant a considerable profit. However, I was forced to forgo the sale of my barley at that time, and proposed to sell it when I returned during the Easter recess.

At that time I found, after visiting many of the elevators on the United States side, that the malting bonus had almost disappeared; and by the time I had made my bargain with the elevator there the price was, indeed, $1.20, but there was no bonus for the malting. I visited eight or ten different points in North Dakota, and found that they were uniform in their price, and that there was no bonus for malting barley. There may have been a time when the facts outlined by the hon. member for Melfort applied. But my barley was sold in the latter part of last month, and the early part of this month, and certainly there was no bonus for malting barley at that time. The United States price of $1.20 prevailed, and that was the top price at the time. I thought the committee should have these facts.

Mr. CASTLEDEN: I wish to make a few remarks concerning this war-time appropriation. I would point out to the minister and to the Department of Agriculture that in spite of some of the action taken by the government in a supposed effort to prevent some of the evils of peace-time marketing, a great many of those evils remain. Despite the fact that the producer is receiving a larger return for his product, he is still not receiving the share he should get.

May I give a few cases in point. These are things I had drawn to my attention. Some western farmers who were in a special position to get hold of range cattle and feed them as a special product, found themselves in an awkward situation. They had special feed supplies to last them about ninety days. They brought in Hereford cows from the ranges, and proceeded to fit those animals for market. When the ninety days were up and the animals were ready for sale on the market the farmers were told that the market was glutted, that there was no room for them, that the storage capacity was filled and that the packers could not handle them. The farmers were in desperate circumstances. Their feed supply was gone. It was a matter of continuing to keep the cattle alive by feeding them higher grades of wheat and straw. The farmers were losing money. But the peculiar thing was that, despite the fact that those farmers had been told by the buyers that there was no room on the market for their cattle, other buyers—representatives from the packing plants—offered to buy from the farmers at a cent or a cent and a half a pound below the market price.

Because of their desperate position the farmers sent a delegation to the government at Ottawa. That delegation was assured that after some adjustments the packing plants would take the cows. The fed cows were bought; but the peculiar thing about the transaction was that according to information sent to us later steers were not being accepted at the market price. People who had steers for sale were told exactly the same story, that the packing plants were full and that a sale could not be made. They, too, were offered a cent and a half less a pound for their product.

That type of thing destroys the producers' confidence in the government. It is bringing some to the realization of the fact that so long as the packing industry continues to control the purchase of cattle and other live stock in Canada the farmer can have no hope of any redress, or a proper return for his labour.

Then, too, we had a rather unfortunate circumstance develop on the Winnipeg market within the past year. As in peace time, during these war years there has been a glut of live stock on the market at Winnipeg in the fall. As soon as live stock requires feeding on the farm or in the corral extra labour and expense are involved with the result that farmers usually try to place their live stock on the Winnipeg market early. The result is a fall in price, the farmer taking the loss. By placing floors on farm products, to a certain extent, the government has practically circumvented

this difficulty. It has introduced regulations whereby it can take over live stock and have it slaughtered if the price falls below a certain level. That however has not cured the situation. The market in Winnipeg became so congested that the packing plants refused to take any more animals.

My information is that something over 140,000 hogs came to the Winnipeg market, and the Winnipeg packing plants could not handle them. The result was that the hogs had to be shipped east, to the Toronto and eastern markets. A terrific loss was suffered, because of the loss of time, the change in feeding, and the necessary delays which occur in shipping, particularly during the winter months.

I would ask the minister, when dealing with this matter, to explain to the committee how the government goes about reimbursing the producer for the loss in grade and price which takes place on these animals. There must be a difference in loss suffered, determined by the number of days required to transfer the animals to the packing plants in the east.

All this naturally leads one to the conclusion that what is needed is orderly marketing, and that proper information should be sent out to the producers respecting the capacity of packing plants and other facilities across the country to take care of production. If there was a shortage of packing space, then the government should and must have known about it. It must have known about this condition, and should have made preparations to meet it. There has been congestion at Winnipeg for some time, and it still exists.

Here is a farmer who is shipping hogs. He has them fattened, right to the pound, and when he gets them to the market at Winnipeg he finds it is closed. Those hogs hang around for a day or two, and within twenty-four hours they lose their grade. If they have to be shipped back to the farmer, he undergoes a further loss there. Why should the farmer be compelled to take the loss in these cases? Why can there not be some proper adjustment and regulation of the live stock reaching the packing plants so that the animals may be slaughtered at their prime and the greatest possible return made for the farmer? I do not see why the farmer should have to take the loss that results from the fact that facilities are lacking to handle his products. Surely the Department of Agriculture should be able to give information to the shippers at every point, letting them know exactly what is the situation so that they may ship at the very best time.

[Mr. Castleden.]

Last year there was a change in the price of coarse grains being fed to live stock. As the hon. member for Melfort pointed out, this resulted, in the case of a man growing his own grain, in an increase in the cost of producing hogs. As a result many farmers said, "Well, if the government expects us to lose money in producing these hogs we might as well get out of the business," and hundreds of farmers shipped all their hogs, even brood sows, to the market, the consequence being that there was a terrific glut of live stock reaching the Winnipeg slaughtering plants. Farmers were shipping out their brood sows; and figures presented to this house in a return dated February 3 show how the shipment of sows to the Winnipeg market increased. In August, 1943, over 69,000 sows were shipped, as compared with 34,000 in August, 1942; in September, 71,000 were shipped as compared with only 27,000 the year before; in October, 61,000, as compared with 19,000 in 1942, or over three times as many. In November, some 39,000 sows were shipped as compared with 24,000 the year before. At that time an embargo was placed on the shipment of these animals; otherwise I suppose in that month also three times as many sows would have been shipped as the year before. As a matter of fact I believe the embargo is still in effect. In December, 24,000 sows were delivered on the Winnipeg market, as compared with 25,000 the year before. At that time conditions in the stockyards at Winnipeg were terrible; these animals were suffering deterioration in every way, and any sows not accepted were shipped back to the farmers. This should never have happened.

Mr. GARDINER: It really did not happen for the reason indicated, either.

Mr. CASTLEDEN: Does the minister say that these figures are not correct?

Mr. GARDINER: No. I say there were three times as many pigs in Canada last year as in a previous year, so that naturally there would be more sows marketed.

Mr. CASTLEDEN: And apparently there were no facilities for handling them.

Mr. GARDINER: Yes.

Mr. CASTLEDEN: Then why the congestion?

Mr. GARDINER: I shall deal with that in a short time.

Mr. PERLEY: Canada Packers will tell us all about that.

Mr. CASTLEDEN: Yes, Canada Packers will let us know why.

Mr. RICKARD: There are more hogs in Canada than ever before.

Mr. CASTLEDEN: Of course there are.

Mr. GARDINER: And that indicates that there were more sows.

Mr. CASTLEDEN: Yes, and it should require proper facilities for handling them, so that the farmers would not have to take a loss because of congestion. The farmers are taking that loss, and as the minister admitted in the house nothing is being done to make up that loss to them.

Mr. PERLEY: I have the report of Canada Packers. They do not care whether it is a sow or anything else; they make just as much money.

Mr. CASTLEDEN: I believe that is so. The farmer himself will have to go into the shipping, processing and selling of his own products. The organizations of producers should be given assistance and information. They should be given information in regard to the world situation, particularly with respect to markets for their products. I think sometime last March the minister said that he would tell us whether or not a longer term bacon agreement had been signed with Great Britain, and I hope that when he makes his report to-day he will give us this information. Producers in Canada should have complete information as to world production. They are kept in the position that they do not know whether to go into the production of cattle or stay out of it. If they do not know what the production is throughout the world, they cannot properly plan their production. You cannot go into the production of beef overnight; it takes several years to build up your herd. The farmers should be given the information as to what the market will be for years ahead, as nearly as the government can give it. We realize that it is difficult to say when the war will be over and what will be the needs of the world; but if we know the production of the world; if we know the present consumption; if farmers and farm organizations could be taken into the confidence of the government and told what is the world food situation, they could do something to adjust their own production. The farmers should be supplied with proper information in regard to the packing houses and storage facilities, and there should be some proper regulation of the flow of live stock to the centres where it is processed. In speaking to farmers throughout the country I find a common complaint to be that the whole thing appears to be left to chance. The funny part of it is that the packing plants always come out with the big end of it. They seem to have too much control of the boards. I do not know why the packing plants have to be represented there.

Mr. HENDERSON: Why could the farmers not build more packing plants?

Mr. CASTLEDEN: That is what they will have to do; it is the only thing left for them. Would the minister give the committee some information as to the quantities of meat that have spoiled in Canada and have had to be destroyed? A number of rumours have been going the rounds but apparently have been hushed up. I should like the minister to give the committee some information with regard to the storage facilities available in Canada, the quantities of food that have spoiled in the packing plants and have had to be destroyed during each of the last three years, and what steps have been taken to reimburse those who have suffered the loss. I know the western farmer would like to know what facilities will be available next fall to handle his live stock, either in Winnipeg or in the east, so that he may plan his production accordingly. Then, when there was great congestion in Winnipeg the farmer would have liked the government to take advantage of the United States market. Apparently at that time there was a shortage of meat across the border, and with the difference in exchange that seemed to the western farmer a practical way of overcoming the situation which existed in this country at that time. I should like also to have a statement from the minister in regard to the present situation in Winnipeg. Has the congestion there eased off, so that the farmer can ship his hogs to that market with some certainty that his shipment will be accepted? Has anything been done in this long period to reimburse the farmer for the loss he has had to take, and for which he was in no way responsible?

Mr. GARDINER: With regard to the last suggestion that we might utilize the United States market, I should like to read a few satistics to show that conditions across the line were pretty much the same as conditions which prevailed here recently. These figures are taken from the last statement got out by the Department of Agriculture on May 18, 1944, and at the bottom of page 3 the United States live stock situation is dealt with, giving the federally inspected slaughtering at thirty-two selected centres in the United States, and the figures given here were obtained from United States statistics with regard to these thirty-two centres.

The number of cattle inspected at these thirty-two points spread over the United

States was, in round figures, 181,000 head for the week ending May 6 last: for the previous week, 179,000; and for the same week last year, 150,000. That is, 31,000 more head of cattle were slaughtered at these points this year than in the same week of the year previous. Then calves; 83,000 were inspected for the week ending May 6 last; 87,000 for the week previous; 55,000 for the same week a year ago; hogs; 1,223,000 for the week ending May 6 last; 1,170,000 for the previous week; and 964,000 for the same week a year ago.

When one considers those figures, one can only come to the conclusion that the situation is much the same in the United States as it is here. In other words, the farmers of the United States have responded to the call for greater production of food products just as the farmers in this country have done, with the result that slaughtering places in the United States are glutted with live stock, just the same as they are on this side of the line. That is why recently the United States followed the lead we gave a few weeks earlier and did away with rationing of meat except steaks and high qualities of beef. Their experience has been similar to ours. That is the chief reason why it has been found difficult, if not impossible, to take advantage of the United States market, because it would have put our friends across the line into difficulties even greater than those they are now experiencing, and it would have compelled them probably to take action which we would much prefer to take ourselves under all the circumstances which existed.

Mr. CASTLEDEN: Would the minister also give the slaughtering and storage capacity figures in the United States and Canada in 1939 and 1940.

Mr. GARDINER: I have not those figures, but they can be had in due course. I have the slaughterings in Canada. For the week ending May 6 last there were 194,000; for the week ending April 29, 196,000; for the week ending May 8, 1943, 140,000. We have a record of the slaughterings at all the plants across Canada, and the figures I have just given are the record of the killings in Canada at inspected plants, just as the figures I previously gave were a record of the killings at thirty-two different centres in the United States. When you take that fact into consideration you will see that the increase on the United States side of the line is just about in line with the increase on our own side.

At exporting plants, which are the plants we have under consideration in dealing with our exports of bacon and ham to Britain, for the week ending May 6 last the slaughterings were 182,000; for the week ending April 29, 187,000, and for the week ending May 8, 1943, 130,000. So that it will be seen from those figures that conditions are much the same on both sides of the line.

Mr. CASTLEDEN: How many of these places are unable to take the supply of stock which comes in?

Mr. GARDINER: I will deal with that later. I have given the figures with regard to slaughterings to clear up just one point.

The discussions this afternoon were opened by the hon. member for Haldimand who, apart from the introduction to his remarks, gave us, I think, a clear indication of the general position. But in his opening remarks he dwelt at considerable length on statements that have been made previously in the house by himself and by others. In that regard I wish to call to mind the statements which were made by the hon. member for Haldimand himself, by the hon. member for Yorkton, who has just taken his seat, and by the hon. member for Melfort and others in the house during the first three or four years of the war. During that period of time the challenge which was hurled across the floor to the government, and particularly to myself as Minister of Agriculture, was to the effect that the farmers in this country were never going to be able to meet the demands that would be made upon them for food production to supply the necessities of war because we were not giving leadership to the farmers. That was the claim made during all that period of time. I was pleased, therefore, to be able to sit here and listen this afternoon to the same hon. members telling us that the real difficulty now is that we have produced so much food that we have not the plant capacity in Canada to have it processed.

Mr. SENN: I did not make that statement.

Mr. GARDINER: My hon. friend did not make that statement in so many words, but the hon. member who just took his seat did, and others who have spoken previously have suggested it. It pretty well indicates that someone was giving some leadership after all. I am not particularly worried about who gave the leadership. The fact is that the farmers have done what we suggested ought to be done. I believe that the farmers themselves have provided a great part of the leadership. The direction was indicated by the department and by myself, and in following that direction the farmers have done what we desired to have them do and what the British people desired they should do, namely, provide greater quantities of the different types of

food which are required in connection with the prosecution of the war. Our farmers have done that to a greater extent than anyone anticipated before the war that we would ever be able to do in this country.

Mr. BLACKMORE: And the farmers paid the shot.

Mr. GARDINER: My hon. friend says that the farmers paid the shot.

Mr. BLACKMORE: And they are still at it.

Mr. GARDINER: I think the farmers will agree that some of the shot was paid by the British people and some by the Canadian people generally. While some of them may have the view that the pay was not as high as it might have been, I think they will all agree that the shot was paid for to the extent it has been paid, by the federal treasury on behalf of all the people of Canada, and by the British government on behalf of the people of Britain. That being the case, the farmers responded to the call which was made for more food.

Discussing the point which was raised a few moments ago by the hon. member for Yorkton, that we are marketing a great many sows, all I have to say in that regard is that in marketing the great numbers of hogs which have been marketed in 1944, during which period we marketed more hogs than we ever did before in any similar period in our history —sows and all kinds of hogs—the percentage of B1's and A's of the total marketed compares favourably with that in any other previous period in the marketing of hogs in this country.

That in itself suggests that there has not been a greater number of sows or of heavies or of lights marketed than one would expect under the circumstances. As a matter of fact, one of the chief criticisms which were made of the department, of myself and of the government was to the effect that by the time we reached this period of 1944 so many sows would have been marketed that we were not going to be able to supply the British market at all. Looking at the last week for which we have the records, I find we are now in this positon, that we had marketed over seventy per cent—to be exact, about seventy-seven per cent—of all the hogs which the present agreement calls for. In other words, instead of sows being marketed to the extent that we would have no pigs, we have so many pigs that we wonder how we are to be able to process and market them. In other words, farmers did not slaughter the pigs as they came from the sows, as was stated by members of this house outside the house in the fall of 1943. Farmers were not selling their pigs at the prices that were indicated by some hon. members outside the house; they were retaining these pigs in their pens and feeding them, and these pigs are to-day coming on the market in numbers such as I indicated a few moments ago, thousands upon thousands more than ever came into the market in the corresponding week of preceding years. So that we have records which bear out what has been said this afternoon, namely, that our farmers have done a particularly good job in producing food; and if they have done it without any leadership from the Department of Agriculture—well, we are quite satisfied.

The question was raised that we ought to have more producers on our boards. That is an old story, and it used to come from all quarters both inside and outside the house. But it has ceased to come from many quarters recently, and there is a reason for that, too. When the war started we placed upon the boards which were set up in the agriculture department the best farmer experts that I know in the dominion, and I think even the hon. member for Haldimand will admit that with regard to some of them. These men came from the farms; they were hired by the Department of Agriculture through the civil service commission in years gone by, most of them by the opposite political party to that to which I belong, in periods of time when we were not in office. These men were hired because they did know agriculture. These men were hired because they were born and raised on farms all over this country.

Mr. BLACKMORE: Mr. S. E. Todd?

Mr. GARDINER: Yes, and Mr. Todd knows very much more about agriculture than the hon. member does.

Mr. BLACKMORE: Was he raised on a farm?

Mr. GARDINER: Yes. Mr. Todd was raised on a farm and was employed by the government before he was employed by others; and he still farms.

Mr. BLACKMORE: By proxy.

Mr. GARDINER: These men were born and raised on farms; they were put through the best agricultural institutions we have for training men to be able to assist in the farming operations of the farmers of Canada, and then they were employed by the civil service commission to give service in the Department of Agriculture to the farmers. What I wish to say to hon. members who make speeches such as have been made on a number of occasions with regard to these officials is, that if the

government took any farmer and put him on one of these administrative boards, he would immediately be an employee of this government, and in the minds of hon. members sitting opposite he would cease to be a farmer or one assisting in production in this country.

Mr. BLACKMORE: It would help, to try one or two.

Mr. GARDINER: We have tried. Perhaps my hon. friend will not have so much to say about it before I am through.

Mr. BLACKMORE: I shall have more.

Mr. GARDINER: I must admit that when the war began I, as Minister of Agriculture, was inclined to say that farm organizations would be ill-advised to have their best officials leave those organizations, come into the employ of the government and take their directions from those of us who happen to be in charge of the department for the time being, if they desired to serve the farm organizations to which they belonged and which had placed them in the positions they occupied. So that we said that officials who know agriculture, who have been advising in connection with agriculture, ought to head these particular boards and should have something to do with the directing of the marketing of the farm products during the war period. In the very first meeting we had with the farm federation at the beginning of the war I pointed out to them that during the period of the war, at least, it would be the policy of the government to set up government boards for the purpose of handling farm products, and gave as one of the reasons that we would be dealing direct with boards set up by governments in Great Britain and elsewhere which were going to purchase the products we had to sell. For that reason, if for no other, during the war period it would be necessary to have these boards appointed by the government and under government direction. In addition, it was the intention, and that intention has been followed out, that agreements would be made as between the government of this country and the governments of other countries for the sale of Canadian farm products to governments of other countries, such products to be used in connection with the prosecution of the war; and under those circumstances it would become necessary from time to time for our government, not only to purchase the farm product and place it as the disposal of a board at some point or another on its way between here and the British market, to be placed at the disposal of a board set up by another government, but for the government actually to finance the marketing of the farm product; first, the assembling of it at some point, and finally the marketing of it, taking care of the financing of payments from time to time. It was pointed out that under those circumstances it was very important that men who had been trained in the government service should be at the head of these boards in order to see to it that proper administration was given to the transactions that were conducted.

For a time farm organizations did take exception to that policy, but when we set up the food board I placed the matter squarely in the hands of the federation itself. I said, "We are prepared to take one of your officials—you name him—and preferably your president, and put him on the food board. We would like you to make the decision as to whether we shall do that or not." After giving it consideration they came back—the records are on the files to indicate what I am saying—and stated that they preferred to have representation on an advisory committee. I think they showed good sense in coming to that conclusion. So that, instead of having their president on the board, the president is chairman of the advisory committee to the food board. He has his office here in Ottawa; he is not under our direction; he has access to my office and the office of the officials at any time he desires to have access; he discusses the different farm problems relating to food with us, and there is an advisory committee set up that he calls together from time to time after consulting with those of us in the department as to the necessity for a meeting. He calls that committee together. It is composed of nine representatives nominated by the provincial government and three representatives in addition to the chairman nominated by the federation. Some of those men who are nominated by the provincial governments are representatives of farm organizations in their own provinces and others are officials of the Departments of Agriculture in the provinces. That committee meets from time to time when any important matter relating to the marketing of different farm products is under consideration and advises with regard to what should be done in connection with that particular product.

Mr. BLACKMORE: Do you ever take its advice?

Mr. GARDINER: Yes. If we did not take its advice sometimes, I suppose my hon. friend would have known there was such a committee in existence and functioning. They would have made it known themselves. In connec-

tion with a matter of this kind, not only is it an advisory committee to the government or to the Department of Agriculture or to the feed board; it is a committee which advises its own nominators as well. It gains information by sitting in committee with regard to the different problems that confront the government in the marketing of the product and gives its own opinions as to what ought to be done, discusses those opinions pro and con with the board and the minister; and after a decision is reached, it is in a position to explain to its own people why certain decisions were necessary and why certain results were obtained. I may say that since that decision was arrived at, since that action was taken we have had the most satisfactory association with the farm federation, which represents farm organizations from one end of Canada to the other. Their advice is freely given. They sit in and offer their opinions with regard to what ought to be done in connection with the different farm products. We listen to their opinions and apply as many of their ideas as we possibly can, and they in turn make explanations where explanations are possible as to why certain things had to be done. Therefore we have had a very satisfactory arrangement and things have worked quite effectively in the interests of the farmers of Canada during the last year under that organization.

I have made this statement in order to show that so far as personnel of the food and other administrative boards is concerned it is comprised largely of officials of the department. The advisory committee has, as its chairman, the president of the farm federation, and other representatives from that federation, nominated by themselves, and accepted by me as minister and recommended to the government for appointment. They have been appointed and have been functioning on the committee throughout that period of time.

That is one of the reasons why the change was made about which I was asked for an explanation by the hon. member for Haldimand. In the spring of 1943 we set up the food board and we set up this advisory committee on which there are representatives of all the different agricultural activities across Canada, from which we get advice. At that time it was decided that all matters having to do with encouragement of production should be placed under the Department of Agriculture. Some of the subsidies previously paid for production were paid under the prices board organization, but in the spring of 1943 they were placed under the Department of Agriculture, more particularly under the administration of the food board.

Mr. HANSON (York-Sunbury): I have followed with a great deal of interest what little I have heard, but I would point out that last summer, in connection with the production of new potatoes, the policy was to subsidize the consumer, and that was intended to be done through the wartime prices and trade board and through the Commodities Stabilization corporation. Owing to an error in the drafting of the regulations, however, it became a subsidy to producers. Why was that not all included under the food board? Perhaps the minister does not know about it, but I call his attention to the matter. It was intended to be a subsidy to the consumer and turned out to be a subsidy to producers, and thousands of dollars have been paid out which it was never intended should be so paid out.

Mr. GARDINER: As I understand it, the position is that the subsidy which is paid in connection with potatoes is a consumer subsidy.

Mr. HANSON (York-Sunbury): That was the intention; there is no doubt about it.

Mr. GARDINER: That was the intention, and that is why it is under the prices board. The idea of paying the consumer subsidy through the prices board is that the prices board is controlling the cost of living—

Mr. HANSON (York-Sunbury): Quite so.

Mr. GARDINER: —in which is included the cost of food, and they say that where food costs too much they will subsidize the consumer.

Mr. HANSON (York-Sunbury): There is no doubt about the theory, and I am not objecting to it, but it turned out that it became a producer subsidy until it was caught, and the money cannot be got back.

Mr. GARDINER: I understand there is some difficulty with regard to some payments in connection with potatoes, but that is one of the difficulties that develop in connection with controls. The intention, however, was that it should be a consumer subsidy.

Mr. HANSON (York-Sunbury): Quite right.

Mr. GARDINER: Those were the two matters which I wished to discuss to some extent at the moment. I do not wish to prolong the discussion in connection with administration under this item. It will be noted that there is administration under all these items. The first one is administration of the agricultural supplies board; then there is administration under the feeds administrator; there is administration under fertilizers; there is administration under subventions and freight

allowances, and there is administration under the meat board. Up to the moment we have all been out of order in trying to discuss all these various matters under administration of the supplies board, because administration comes under each of the items that I have mentioned. If we are to discuss the meat board we ought to reserve our discussions until we are dealing with that item, or with items having to do with the meat board. I suggest that there has been considerable leeway up to the moment, and I think the committee will agree that we can get along much better if we discuss the various matters as we come to them under their respective items. We have nine chances to discuss administration, and there is no reason why we should discuss all these matters under one item.

Mr. BLACKMORE: I think we should come to some understanding on the matter. I wished to discuss the question of meat, and I thought the proper place would be under the item dealing with the meat board. If we agree to discuss it there, very well; if we agree to fight it out here, that will suit me.

Mr. GARDINER: I was asked by the hon. member for Humboldt (Mr. Burton) how we would prefer to proceed, and I suggested on Friday evening that it would be better to take these matters item by item than to have a general discussion ranging over all under one item. We have had a general discussion from all quarters of the opposition with the exception of Social Credit, and I think that if we can agree to go on from here and discuss administration in connection with each of these branches, discussing matters having to do with it under each vote, we shall make better headway and get information more readily, because the information is all compiled in that way.

Mr. CASTLEDEN: Under what item does congestion of delivery of stock come?

Mr. GARDINER: Everything having to do with the delivery of stock will come under the meat board.

Mr. BLACKMORE: I believe that the department have bungled the beef-producing job in southern Alberta. I shall have more to say on that later.

Mr. GARDINER: I will, too.

Mr. BLACKMORE: I shall be here to hear it.

Mr. PERLEY: I thought a general discussion was to be allowed and we were to have the same latitude that has been extended to other hon. members. I did not get into the discussion for the reason that I thought it would continue. It is now nearly six o'clock. I could not conclude the few general remarks I should like to make before six, and therefore I ask you, Mr. Chairman, to call it six o'clock. I shall take about twenty minutes.

The CHAIRMAN: Before I call it six o'clock may I say that I believe the point taken by the Minister of Agriculture is well taken. Hon. members of the committee will realize that we have already spent seven or eight sittings on agriculture. I do not want to curtail discussion—I am not able to—but I believe we should discuss the item before the committee at the present time. I am confirmed I am expressing the views of the majority of the hon. members of the committee when I say that.

Mr. SENN: Before you make that decision, Mr. Chairman, may I say that at the opening of my remarks I laid a basis for what I had to say. The order in council sets up the agricultural supplies board and gives it very wide powers in regard not only to production but to all phases of the agricultural situation. That is the reason why I went as far as I did. It seems to me that that is sufficiently wide to carry on a general discussion unless the committee decides otherwise.

Mr. GARDINER: The only thing I have to say with regard to that is to repeat what I said a moment ago. We have "administration" in every one of those items. I think the committee can get better information and better results by discussing all there is to be said about administration on those particular items when we come to them. The information will then be available, but it is not readily available at the moment when the committee is wandering all over the place. I think we can get better results if my suggestion is followed out.

Mr. PERLEY: I thought it was understood on Friday night last that there would be more or less general discussion on the first item, such as has taken place this afternoon. If the ruling had been made after the first two speakers had concluded their remarks this afternoon it would have been all right, but I do not think it is proper to make the ruling now because there are two or three other hon. members who would like to say something. I have spoken to them and they have told me that they intended to go on. We have heard from the far corner. I refrained from going on because some hon. members in that corner wanted to precede me. I think, Mr. Chairman, that you should call it six o'clock.

Mr. GARDINER: Let me clear up that point. I think the hon. member for Qu'Appelle

will remember that the hon. member for Humboldt asked that question definitely on Friday night. After delivering his speech he asked me how we were to proceed.

Mr. JOHNSTON (Bow River): After he had had his say.

Mr. GARDINER: I said that we would take up this item and discuss it and not wander all over the place. I will admit that that has been departed from by one speaker from the official opposition, two speakers from the Cooperative Commonwealth Federation, the hon. member for North Battleford, and the hon. member from one other party who talked about the employment of labour in agriculture. After having gone over all that, I think we should call a halt and discuss the particular item that is before the committee.

Mr. PERLEY: There are about five or six administrators and three or four boards. If a general discussion is to be allowed on each one of those then we may say all we have to say in a general way for about five minutes on each one. If we do that it will not facilitate the passing of the estimates. Nor shall we be doing that by closing down the discussion as suggested at the moment. There are three or four other hon. members in the same position as myself. I suggest to you, Mr. Chairman, that you call it six o'clock.

The CHAIRMAN: I believe that it is a matter of understanding among the hon. members of the committee. It is impossible for me to curtail the discussion. It is not my intention to do so at the present time, but there has been a great deal of repetition. I believe it is the wish of the committee that the discussion be curtailed to a large extent.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. PERLEY: Mr. Chairman, on Friday last the minister's war estimates were before the committee for only a short time before eleven o'clock. We did not get very far that evening. This afternoon there has been a general discussion on the first item, in conformity with the usual practice. Just before six o'clock the minister pointed out that he thought we had had enough general discussion, and should discuss the item in detail. All I have to say is that I think the minister was perhaps a little optimistic. I do not think his estimates will be held up very long, however, because I am sure that when the different boards are under discussion in detail he will be prepared to give all information asked, and as a result possibly he will get through sooner than he expects.

I was interested when, just before six o'clock, the minister replied to the hon. member for Yorkton, placing on record the increase in the production of hogs, and a record of the slaughterings both in Canada and in the United States. I believe the information he gave showed that the increase was about the same in each case, a situation only to be expected. I trust that the minister clarified other conditions, such as the increase in the marketing of sows, to the satisfaction of the hon. member for Yorkton. If that hon. member is not practical enough to absorb what the minister has said, then there are one or two other members in his group who are practical farmers and who will be able to explain things to him.

The minister took some little time this afternoon to answer the hon. member for Haldimand and, to some extent, was complimentary in what he said about that hon. member. In my view the hon. member made a well-considered and constructive speech. It was, of course, critical in some respects, but constructively so. He made several suggestions whereby the operation of the different boards, and the department generally in respect of its war programme, might be made more efficient, so as to give the farmer a little better deal. The hon. member for Haldimand referred to increased production and increased prices, and also dealt with the farm labour problem, and the difficulty farmers have in securing machinery. It is clear that farming operations, in view of the shortage of labour, require more machinery under present conditions.

The hon. member made a point with respect to the cost of production, and showed how, even under present conditions, and despite increased production and increased prices, the farmer is hardly getting what is coming to him, and is not getting a fair share of the national income.

The minister endeavoured to answer what had been said by the hon. member for Haldimand, and, I was interested to note, to give credit to the farmers on this occasion. However, I can well remember another occasion to which the hon. member for Haldimand made reference. I can remember when the minister's estimates were before the committee before the Easter recess, upon which occasion the hon. member for Moose Jaw, the hon. member for Macdonald and the hon. member for Brant spent considerable time in eulogizing the minister, paying him compliments and giving him credit for the increased production, the increase in prices, and the apparent pros-

perity the farmer has lately enjoyed. I recall that on that occasion the minister absorbed the eulogies, smiling occasionally, and expanding himself when he rose to reply and to thank his supporters for their compliments.

To-day, however, he did go out of his way to make proper references to the hon. member for Haldimand, and to a certain extent did give credit where it belonged; that is, to the farmer. If I remember correctly, his expression was that the farmer had followed the instructions and requests made by his department, in almost every respect, in regard to increased production.

The minister referred to the farm representation on different boards, a point which had been raised earlier by the hon. member for Haldimand. The minister's reply was that the government had set up advisory committees, and that on those committees the farmers have direct representation, just as they have in some of the farm organizations and cooperatives. Well, that is all very well. I might say that a review of some of the statements made by different organizations discloses that they have such representation. But it is a little difficult to see where the suggestions they make from time to time are implemented or put into force.

Replying to what was said this afternoon by the minister, I would point out to him that if he will go back to 1942 and 1943, when the boards were first set up, he will see that on those occasions the hon. member for Haldimand, and others on this side of the house, demanded that farmers and producers have direct representation on the boards. That was not allowed. The farmer did not receive such representation at that time, and he is getting it now only in a roundabout way, by representation on the advisory committees. Well, that is all to the good.

To return to the credit hon. members tried to give the minister, on the former occasion when the minister's estimates were before the committee, might I say that when those hon. members gave the minister credit for increased production and increased price levels I was tempted to ask the minister then what Providence might have had to do with it. What did the farmer, himself, have to do with it? I believe it is apparent he has had much to do with it. Then, what has the war had to do with it? Surely we realize that it has brought about a demand for increased production of all kinds. I suggest that these are some of the reasons why we have had the increase. No matter who might have been sitting on the treasury benches, the farmer would have met the demand, when or if it was necessary.

[Mr. Perley.]

I shall not deal with subsidies until we reach the item in the estimates dealing with that subject.

May I express my agreement with what has been said by the hon. member for Haldimand with respect to prices? The ceiling price should not apply to certain farm products, but certainly floor prices should. I, for one, was disappointed that before this we had not had presented to the house the bill to establish floor prices which the Minister of Finance said was to be introduced. We should have had that bill before us before these estimates were presented. We should have it before us, before concluding our discussions on the war appropriation estimates, so that we may know exactly what the minister has in mind, what he means by floor prices, how he is to establish them and what they are to be. We should have had that information, particularly in view of the minister's announcement of Friday last that he was going to go west next Saturday night, no matter what happens, whether these estimates are through or not. Before he leaves this city to go west, to take part, as we know, in a certain campaign out there, he should let us have that bill respecting floor prices, so that we may know what it is all about.

The stock grading system is not satisfactory. I have had communications from and talked with farmers and shippers who are not at all satisfied. I suggest that to make it more satisfactory some change should be made.

The situation set out this afternoon by the hon. member for Yorkton with respect to the processing and distribution of live stock works all to the advantage of the packers, I do not think the present grading system is what it should be. I believe it should be revised. I am going to quote the statement referred to this afternoon by the hon. member for Haldimand, as having been made by the president of Canada Packers before the price spreads committee in 1934, in regard to live stock prices;

> The total live stock is sold for the total sum, whatever it is; from that sum is deducted first the packer's expense and the packer's profit and the farmer gets the balance.

I imagine the same rule is followed at the present time. There has been no change in the grading system or the regulations; the farmer gets whatever is left after the packer takes his profit and expenses. On previous occasions we on this side have suggested that a board of live stock commissioners should be set up in order to assist producers of live stock as the board of grain commissioners assists producers of grain. I think I have referred to this matter once or twice already this

session. If we had such a board, with proper representation, I believe a great many of the difficulties that now exist in regard to grading, marketing and processing would be done away with. A few moments ago I referred to Canada Packers. I have in my hand the last annual report of that company, which I received just a few days ago. I am not going to read from it at any length, but I recommend this report to all hon. members.

Mr. GOLDING: Does the hon. member think he is the only one who has read it?

Mr. PERLEY: If my hon. friend has read it he will see that the packers themselves say they make so much profit on every pound of pork, beef or other meat that goes through their plants, no matter what animal it may come from. I am glad to know the hon. gentleman who interrupted has read the report, for I am sure he will agree with what I have said and will join me in recommending it to the attention of hon. members.

I wish to refer briefly to the matter of the disposition of agricultural products of which surpluses have been created because of the war. In certain products we now have surpluses as a result of increased production and other causes; and after listening to the statement made this afternoon by the Prime Minister we must realize that our difficulties are not at an end yet, that we may still have a bad year or two ahead. I suggest that the minister should make a start in implementing some of the suggestions contained in the report of the reconstruction committee dated December 16, 1943. At page five of that report, under the heading, "Industrial Utilization of Farm Products," I find this:

> That a new government-supported laboratory limited to research on the utilization of farm products and with facilities for pilot-plant investigations, be established in the prairie provinces.

The suggestion was made this afternoon that we should have more packing plants, perhaps smaller in size, which would help take care of surplus live stock marketed from time to time, but here we have a definite recommendation in this report. Then on page 24, in regard to the industrial utilization of farm products, I find this:

> A survey of Canadian research on the utilization of farm products reveals that in the past agricultural research has been directed mainly to increasing production; in the future, greater emphasis should be placed on utilization problems.

So that I would ask the minister, when he comes to discuss these items in detail, to say what has been done in this connection and just how far the government is going in carrying out the suggestions contained in this very worth-while report. At page 27 of the same report I see a reference to one or two interesting items having to do with a general research programme which they suggest in connection with such matters as wheat starch, vegetable proteins, vegetable oils and so on. I think we should have a statement from the minister on some of these items, whichever he thinks most suitable, as to what is being done in regard to accepting some of the suggestions advanced by this committee.

The last item under this estimate has to do with the agricultural food board. This is a new item in the minister's estimates, and it provides for a proposed expenditure of $47,600,000. If we go back to item 5 we see a proposed expenditure of $16,500,000 on freight assistance in connection with western feed grains; then we have another item of $8,000,000 for a subsidy on western wheat. If we add together the first two items I mentioned we get a total of $64,000,000; if we subtract that amount from the total of $73,500,000 we have left $9,500,000, and if we subtract that from last year's total we find that the net increase this year is only something like $4,500,000. I believe this new item involving some $47,000,000 should be explained thoroughly by the minister, who should tell us exactly what is to be done under the new board that is to be set up and how the work is to be carried on. Also with respect to these items the minister should tell us the number of people employed this year as compared with last year. I have before me the auditor general's report for last year. If you go through this report and take the minister's estimates item by item you will see all the details. I find that in one year there was an increase of almost one hundred employees drawing salaries of from $2,400 to $3,000 a year, in addition to their expenses, as well as many stenographers and clerks. I think we should be told by the minister just what increase is anticipated for this year.

There are one or two interesting items in the auditor general's report on which I should like some information from the minister. They have to do with advertising. At page A-71 I see an item for advertising with respect to the production of wheat and coarse grains, amounting to $15,000. I should like to know what is to be done this year under this item. Then on page A-73 I find an advertising item of $7,000 for special war-time pamphlets. On the same page we have an item of $30,000 for advertising "re farm women's activities," and the comment on the following pages is that this—

> . . . represents payments to the Canadian Advertising Agency Limited, Montreal, for

advertising in farm publications to assist farm women in their home and farm duties and allied war work.

On page 74 there is another advertising item for $555; another advertising item of $15,000; an item of $12,000 for advertising a sheep raising programme. On page 75 there are two or three more advertising items, including an item of $22,000 for advertising to stimulate live stock production. I am not going into details as to who got this money, although it would be interesting to know who it was in Montreal who got the most of it. My point is, does the minister really need to carry on this expensive advertising this year, or will the advertising that was paid for last year suffice? The amount spent on advertising does seem out of all proportion when you have boards set up, with inspectors and key men going all over the country. When I was at home at Easter I stopped at an hotel in a small town, and standing outside were eight or ten cars. I said to the hotelkeeper, "You must be doing a good busniess, with so many cars outside." He said, "Come on out with me and look at them." Half of them were departmental cars, three of them belonging to the Department of Agriculture. They are doing a lot of advertising and your boards are doing a lot of advertising, so that I think these advertising agencies should not receive again this year the amounts that were paid them last year. The best advertising we can get with respect to farm production in Canada is a fair price, and that is all the farmer asks—a fair and square deal and a parity price. There has just come to hand to-day the Searle index giving comparative prices on 147 items and the price shown for farm products is 102 instead of 156. A fair price for the farmer is the best advertising of all.

When we come to the individual items we shall have questions to ask. It is our responsibility to help the minister get the necessary production of food to assist in bringing the war to a successful conclusion. But I think, too, we all want to see the agriculturist, who is carrying on the largest industry in the country, get a square deal.

Mr. HLYNKA: Mr. Chairman, before we proceed with the consideration of individual items in a more orderly fashion I should like to say a few words.

The Minister of Agriculture seems to be very well versed in his subject and has a lot of statistical information at his finger-tips whenever he is asked a question. He also delivers some very good speeches on the floor of this house. But for some reason or another the farmers are never set at ease by the speeches which the minister delivers, and I believe that the results which the farmers received from their operations justify their feelings. I should like to hear the minister give this committee and the country the assurance that farm income in Canada after the war will be maintained at a high level.

Mr. EVANS: It is higher this year than ever before in the history of this country.

Mr. HLYNKA: I quite agree that the income which the farmers have been receiving during war time is considerably higher than that which they received before the war, but one or two years of better prices for farm products do not place the farmer in a position where he feels safe and is able to meet his daily obligations.

Mr. EVANS: The farmers of Alberta are liquidating their mortgages this year.

Mr. HLYNKA: Yes, but Alberta has a good government. That is the difference.

Mr. DUPUIS: Twenty-five dollars a month.

Mr. HLYNKA: If I may proceed, Mr. Chairman, I would ask the minister to tell us how he proposes to keep farm income at a high level. Has he any formula? Or is he unable to give the committee and the country the assurance that farm income will be maintained at a high level?

Would the minister also tell the committee whether he still entertains the view that agricultural prosperity depends upon and can only be maintained by foreign trade? That is the view which this government held in the past. Our farmers were told that they could not possibly expect better times because we could not sell our wheat abroad. Will the minister tell the committee whether this government feels that immediately after the war the Canadian people can be assured of an adequate income, or must they again hear the excuse that because we cannot sell our products abroad the people must go hungry at home?

Would the minister also tell the committee whether or not he is satisfied that under his administration it will be possible to make available to the farmers sufficient credit to enable them to carry on their farming operations as they would like to do? I must say that in the past, and it is partly the case now, this government has chosen to put the farmers on a sort of relief system. The farmers were forced to live on relief, and they still do, whether it be in the form of subsidies or other assistance that the government gives the farmers from time to time. I believe in subsidies for both the consumer and the producer. But first of all we must endeavour to

set and maintain a parity price on farm products. I believe that subsidies should be used only for the purpose of adjustment.

Another item which I should like to mention, and to which brief reference has been made to-day, is the condition of farm machinery. For the past five years the farmers, particularly those of western Canada, have been operating with old machinery. Much of it is broken down and some is beyond repair. Will the minister tell the committee and the country what he proposes to do in this matter? I should like to hear an assurance from him that repair parts will be available, and they must be made available if the farmers are to carry on their operations efficiently.

The minister seems able to produce statistical information on practically every question which is asked, and I congratulate him upon his knowledge of this information. But he should also from time to time indicate to the farmers what they may expect in the future. It is well to tell them what the country expects of the farmers, and it is well to inform the farmers what they may expect of the country.

At the appropriate time I intend to make a few more remarks with particular reference to the beef situation and the marketing of bacon.

Mr. JOHNSTON (Bow River): This item has to do with the programme to encourage the production of essential war supplies. I believe the specific matter we are discussing is that of the agricultural supplies board administration.

Mr. GARDINER: That is the item.

Mr. JOHNSTON (Bow River): I listened to the minister's replies to some of the questions asked this afternoon, and, as the hon. member who has just spoken indicated, the minister gave a very nice speech. But I am endeavouring to find a solution of some of the problems which have been outlined. I have before me a petition which was sent to me by my constituency and is signed on behalf of a number of farm organizations, complaining about the unsatisfactory marketing of hogs. I am aware that the minister on May 8 gave quite an explanation of why the packing plants could not handle the large number of hogs which were being brought to them, and he returned to the subject to-day, saying in general that many more hogs had been brought into the packing plants this year than in any other year since the war started. I do not suppose there is any question about that; the minister has given the figures and I accept them as correct, but that does not solve the problem. The condition complained of still exists. The minister went to quite a length this afternoon to show how well the farmers have responded to the "leadership", as he called it, of the Liberal party in raising the required production. I do not know whether that is evidence of leadership. I would have thought that when the government asks the farmers to raise a large number of hogs to supply war demands, the government should be in a position to handle those supplies. But that is where the minister's explanation stopped; he did not go on to say that the government have plans to take care of this production for which they asked. That does not show planning, or leadership.

Mr. GARDINER: I did say that when we got down to the item I would be prepared to discuss it; that is, the meat board.

Mr. JOHNSTON (Bow River): That is what I am dealing with.

Mr. GARDINER: No; it comes under the meat board.

Mr. JOHNSTON (Bow River): I have looked over the details carefully, and I cannot see where the raising of stock would come under that.

Mr. GARDINER: The whole handling and marketing of live stock—hogs and cattle—comes under the meat board.

Mr. JOHNSTON (Bow River): I will finish now what I had to say, and then I need not repeat my remarks if the minister will answer the question. The point is, that while the minister has reviewed the facts I have indicated he has not solved the difficulty which faces the farmer, and I have been waiting for his explanation so that I can answer the great number of letters I have received and tell the farmers just how soon their problem will be solved. It is all very well to say that the farmers are very patriotic in their response to the call. That is true; but the fact is that, in making that response, they, like those in other industries, should receive proper remuneration for their labours. I recall having visited about a year ago some aircraft plants, which, too, are doing a good job; but in this industry, as in the building of ships and the manufacture of guns, industrialists receive a profit on their labours. The full costs of production, including labour, raw material and overhead are ascertained, and upon these outlays their profit is calculated. It seems to me only fair that the farmers, when they raise hogs at the request of the government in a time of national war emergency, should be guaranteed the cost of production plus a fair and reasonable profit. I would not claim for them an excessive profit, and they are not asking for it. But

the situation is that they complied with the government regulations in every detail; they bring their hogs to the stockyards to be sold, and quite frequently—this was revealed to me only about a week ago—they are forced to take their hogs home again and hold them for another two or three weeks. Immediately they are required to do that they undergo a loss. If they continue to feed the hogs, there is a danger of overweight when they are brought in again; if they feed them just enough to maintain the required weight, they are out the cost of the day to day feed; if the hogs lose weight, again the farmers lose. It seems to me that the problem should be tackled in a different manner. If an aircraft manufacturer makes a plane which the government is not prepared to take from him at once, he is allowed the cost of storage, insurance, and like charges. The farmer should be treated in the same way; when he brings his hogs into the stockyard the government should be prepared to buy those hogs then and there.

Mr. BLAIR: What would they do with them?

Mr. JOHNSTON (Bow River): They asked for them. What do they do with surplus aircraft? They store them or pay for the storage, because they are the government's property when they are brought out of the factory.

Mr. DUPUIS: The conditions are not the same.

Mr. JOHNSTON (Bow River): The planes belong to the government and not to the aircraft manufacturer. It should be the same with the farmer; when he brings his hogs into the stockyard the government should take possession of them. If they want to have a feeding lot there or something of the sort, that might be the solution; but delivery should be taken of the farmer's hogs as he brings them in. Then the nation itself would assume responsibility for any loss incurred after the time the farmers had delivered the stock.

Mr. DUPUIS: Does the hon. member mean to say that the western farmer does not make a profit on hogs—that he is not making a profit on hogs this year?

Mr. JOHNSTON (Bow River): You never heard me say that.

Mr. DUPUIS: What is your complaint, then?

Mr. JOHNSTON (Bow River): If you want to say that, go ahead.

[Mr. C. E. Johnston.]

Mr. DUPUIS: What is the situation of the eastern farmer?

Mr. JOHNSTON (Bow River): Do your own talking, please. If the hon. member wants to say that the farmers are making too much profit in the west, that is his privilege—

Mr. DUPUIS: I do not say that, but I say they make a profit.

Mr. JOHNSTON (Bow River): —but I am trying to assist the Minister of Agriculture because I know he is having difficulty in solving the problem.

An hon. MEMBER: What would be your suggestion?

Mr. JOHNSTON (Bow River): I am sure the people in the west are not satisfied with the way in which the thing is being handled now, and merely to recite what the packing companies are doing to-day as compared with a year ago is not the solution. Everyone knows, or can know if he will read the figures which the minister has given—and no one doubts the correctness of those figures—that the packing plants are doing much more than they did before. Only look at their profit sheets and you will find that out. But that does not solve the difficulty. I have an important suggestion to make to the minister. I do not know whether he will accept it or whether he has something better to propose, but I think some plan should be worked out whereby, when the farmer brings his product to the market, the government would at once take possession of it, whether it be hogs or beef or any other commodity, which is an essential war material. The government, from the point of view of war necessity, has appealed to the patriotism of the farmers to produce, and when the farmers comply with that request they have done their share. But to penalize the farmer and force him to take his hogs home, and definitely to incur a loss on them, is not good business from anyone's point of view. I should like to see the minister, therefore, make some plan for taking over possession of these hogs and paying the farmer the price that is coming to him.

Item agreed to.

Assistance in disposal of agricultural products rendered surplus by the war, $550,000.

Mr. QUELCH: There is no doubt that prices paid at present for agricultural produce do tend to increase production, but it is a great mistake for anyone to think the prices which the farmers are receiving are unduly high because they seem to be so good compared with prices received in the past. Let us

remember that the farmers to-day are still not receiving anything like their fair share of the national income on a per capita basis. Until that end is achieved, we cannot say that the farmers are in reality receiving fair prices for the things they have to sell. Let us put that on a comparative basis. From 1914 to 1919 the farmers, representing thirty per cent of the population, received thirty per cent of the national income. To-day the farmer is not receiving anything like thirty per cent of the national income, so that it is altogether unwarrantable to say that the prices the farmers are receiving now are out of line.

Mr. EVANS: Would the hon. member not admit that the increase in wages has lowered the percentage of the farmers' income?

Mr. QUELCH: Not only the increase in wages but the increase in the price of materials, the increase in the cost of machinery, and other factors entering into the situation. All of these would, of course, offset the return which the farmer receives. However, I simply wish to emphasize the fact that although to many people the prices of agricultural products seem high to-day, those prices do not make it possible for the farmer to get a fair share of the national income, and there are still products for which the farmer does not receive a fair price. That is true, for example, in regard to sheep, because I have here a resolution from the sheep-breeders' association protesting bitterly over the low price received for lambs and mutton. They say that they cannot be expected to expand production in sheep until fair prices are assured them. Although the prices received may encourage production there are, on the other hand, certain factors that are definitely decreasing the efficiency of farmers in production. For instance, if you go to the west to-day and speak to the farmers there you will find that they are somewhat jittery about the prices which they are likely to receive in the future. They remember what happened after the last war. They remember how prices fell within three years from the end of the war. Prices at that time went to a very low level. For example, at the end of the war cattle sold at around $125 and the price dropped within a few years to $25 and $30 a head. The same was true of other lines of produce. The farmers remember that fact; they do not intend to be caught in the same way after this war if they can avoid it, and that has a detrimental effect on production. They hesitate to make capital expenditures and to expand their holdings of stock. It is necessary, therefore, that the government should at the earliest opportunity give some assurance to the farmers that the prices now received will be maintained and a market guaranteed for a certain length of time, instead of expecting farmers to operate from year to year in a state of uncertainty.

Three or four years ago I visited several farms in the west where I saw two or three brood sows being kept. On those same farms to-day there are anywhere from twelve to twenty brood sows, but there is hardly any change in the buildings and the conditions for raising pigs. The reason the farmers give is that they do not know how long they will remain in hog production at that height. They say, "We are keeping twenty brood sows to-day, but if prices drop we will go out of hog production. We will not make the necessary capital expenditures to put up the hog houses needed to take care of the hogs efficiently." That is bound to have a detrimental effect on hog production, and that condition is largely to blame for the high mortality in young hogs. Throughout the west, in the part of the country in which I live, there was a heavy loss of young hogs last year. One could see young hogs herding out of a small building on a cold day, many of them sweating, with the result that they got pneumonia and thousands died. It is said that the farmers received a poorer grade for hogs now than in the past and I have a number of letters making that charge. If it were said to the farmers that this was owing to the fact that the hogs were not raised under ideal conditions, I doubt if the farmers would agree, because they blame the packers rather than the way in which the hogs have been raised. But I can visualize the raising of hogs under conditions that are not ideal having a detrimental effect on the grade of hogs.

In the past few weeks I have received a number of letters stating that since the new hog policy has come into operation the grading and dockage of hogs have increased tremendously, and the increased grading and dockage have offset the price. Whether that is due to the packers or to other causes I will not say; but no doubt the farmers would blame the packers, and if I were farming now I would do so, from past experience. I think the government should be in a position to give the assurance to which I have referred, and I suggest that the assurance could be given without the government taking any risk even if they want to continue the same type of export policy they had in the past. The demand for the produce will stay up until the end of the war. We have every reason to believe that and to believe that there will be a good market for our produce for a number of years after the war. There will be a higher demand than at the present time because more shipping will be available.

Under UNRRA it will be possible to dispose of a good deal of agricultural produce, and I am sorry that the scope of UNRRA has not been widened. Under the Atlantic resolutions the scope of UNRRA was restricted, but no doubt, as the demand for goods under UNRRA increases, so will the scope of UNRRA be expanded, and for the duration of the war we shall continue to make gifts under the mutual aid legislation and the lease-lend provisions. I hope that after the war a similar provision will be kept in operation to make it possible to continue large gifts to countries that have suffered as a result of the war.

If it is decided that we should not continue that policy then, of course, some other policy will have to be introduced, maybe some form of international monetary proposals. But one thing is certain, namely, that those nations which have suffered in consequence of the war will not be in a position to pay by export for the things they need. We shall have to make those things available either as a gift or under some international monetary proposal or under some long-term loan. I think those nations are perfectly justified in expecting that Canada, the United States and other countries which are away from the theatre of war will continue to make those gifts. I look upon it as a moral obligation, owing to our geographical position. It is fortunate for us that we have not suffered as a consequence of the war. When it is recalled what has taken place overseas I think it is quite easy to see that we have not made any sacrifice inside this country. We have had a number of little irritations, but they can scarcely be called sacrifices. I think it is part of our duty to help to rehabilitate the devastated areas of the world. That is a job we shall have to complete after the war. One of the best things we can do in that regard is to make supplies of agricultural products available. It will help to maintain agriculture in this country and it will help us over the transition period.

I just mentioned that to show that that is almost certain to be the situation. The government, of course, is in a better position to know this than I am. I feel quite sure that that is the situation; and if the government knows that that is the situation, surely it should be able to guarantee the farmers a fair price for three or four years after the war. If the farmers are guaranteed a fair price for a number of years after the war, they would not then hesitate to make the necessary capital expenditures to provide proper housing and fencing, provided they could obtain the material.

[Mr. Quelch.]

I should like the minister to tell us just how far the government will be able to go in giving the farmers this assurance. Some people may call it "leadership", but I have left out that word because some people object to it. I have used the word "assurance". In the past the minister has seen fit to give that assurance for only one year at a time, except with regard to wheat. Of course, we are to have a floor under agricultural prices. The bill is to be brought down some time. That floor may be satisfactory, but on the other hand it may not. We should have an assurance that the present level of prices will be maintained for three or four years. Could the minister give an assurance in that regard?

Mr. GARDINER: I had hoped I would be able to get through at least the first item without making another speech; but since four members who have preceded me have insisted I should say something more, probably I had better say something.

A few moments ago the hon. member for Qu'Appelle asked some questions with regard to advertising, and since the item we are now considering covers programmes to encourage the production of essential war supplies and amounts to $93,560, probably this is the point at which I should give an answer to these questions.

The CHAIRMAN: Order. That item has been passed. The item we are now on is "assistance in disposal of agricultural products rendered surplus by the war."

Mr. GARDINER: We are even farther ahead than I thought we were. Two items were carried while I was looking over these records. This item is still higher and it gives me more latitude. The item amounts to $550,000. Its object is to assist in maintaining production of quality hogs in Canada in order to meet Britain's war-time requirements of bacon, hams and other pork products. That is one of the objects of the advertising that is put out. Five advertisements of approximately five hundred lines each in English and in French were put out for this purpose. Approximately thirty farm journals across Canada and about fifteen of the foreign language papers in western Canada contained these advertisements. The time was April, June, July, October and November. The cost of that advertising was $27,717.62.

Then we come to western feed grains. The objective was to acquaint Canadian farmers, east and west, with the regulations, conditions and government assistance policies under which purchases of feed grains from western farmers could be made. I am sure that

members of the committee will agree that it was necessary to put out that information in order that farmers might take advantage of the opportunities provided. Those advertisements, one of 498 lines, divided into (1) an eastern Canada, (2) a prairie provinces and (3) a British Columbia edition (English and French), were put out. The media was approximately seven hundred rural weekly newspapers, thirty-seven farm journals and nineteen foreign language newspapers. The time was October, 1943, and the cost $15,282.61.

The next is war-time gardens. The objective was to encourage—

Mr. PERLEY: Would the minister permit a question?

Mr. GARDINER: Yes.

Mr. PERLEY: Would the minister give us the amount that it is expected to spend this year with respect to the same item so that we shall have a comparison with what was done last year? With respect to the weekly newspapers, did every weekly newspaper get that advertisement?

Mr. GARDINER: The amount in connection with each of those items would probably not be any greater than it was last year. Some items it will not be necessary to advertise at all. If there is no change in the policy it will not be necessary to give other advice with regard to the matter. The amounts contained in the item spent for actual advertising are not contained in the amounts that are estimated here. They are amounts which are spent from time to time. They are amounts of money set aside for war purposes, which are voted by order in council from time to time as the necessity arises.

The objective of the advertisements was to encourage the growing of garden crops in the urban centres of Canada so that the immediate supply of fresh vegetables in the summer and fall months would release more of the commercial production for processing and canning purposes. The advertisements consisted, one of 800 lines, or 600 lines in English and French. The media were ninety-two daily newspapers in Canada, thirty-six in group A, 800 lines, and fifty-six in group B, 600 lines. The time was April, 1943, and the cost $5,505.51.

The next is the meat recipe folder. Approximately 260,000 war-time meat recipe folders, English and French, were produced for distribution from May to August at a cost of $3,879.86. That is another example of the advertising which is carried on when it is decided to ask the farmers to do certain things or to acquaint consumers with the fact that certain products are available. Then we put out advertising in order to direct them as to what may be done; in other words, this is the method by which we give the leadership that the committee has been insisting on all afternoon and this evening.

Mr. PERLEY: May I ask a question? Why is it that some of the weekly newspapers in Saskatchewan carry advertisements every week, and others in adjoining towns within twenty-five or thirty miles do not carry the same advertising?

Mr. GARDINER: I understand that some of them do carry it for a number of weeks, although they are paid probably for one or two weeks. Some of the papers do run it for more weeks than they are paid for; others do not run it for any more weeks than they are paid for. I think the hon. member for Qu'Appelle understands the situation which exists in Saskatchewan. I believe that all of the weekly papers in Saskatchewan are organized in one association. That association has a president, a secretary, and officers or an executive. The papers operate under that association, and those who put out advertising contracts in Saskatchewan I think on practically all occasions, put the advertising out through that executive. Of course, more of the advertising will be placed with some papers than with others because of larger subscription lists, since all advertising is carried in accordance with the number of people who are to be reached by putting it in the papers. But the arrangements made are made, I think in all instances—if not in all, in practically all —through that association.

Mr. PERLEY: I have asked that question because complaints have been coming to me in which publishers say they cannot get advertisements, and that certain newspapers—and the minister will know which ones—never have to go without an advertisement.

Mr. GARDINER: I do not know of any in that position, but they must be more liberal with their space than some others, rather than Liberal in the sense my hon. friend suggests, to get that result.

Mr. PERLEY: It is the Lemberg *Star*. All you have to do is to go to the reading room, and check on it.

Mr. STIRLING: Does the department make the arrangement with the association, or with individual newspapers?

Mr. GARDINER: The Department of Agriculture, ever since the first or second year I have been associated with it, has done all its advertising through one agency.

Different advertising agencies have had different departments to deal with. The agency with which my department has dealt is the Canadian agency in Montreal. As the hon. member for Qu'Appelle said a few moments ago, I think it would be found that all of the advertising was done through that agency. That simply means that all the advertising of some other department is done through some other agency. But so far as my department is concerned, it has all been done through one agency.

Mr. STIRLING: I understand the minister to say that there is an association, and that advertising is done through that association. What I want to know is whether the payment of money passes through the hands of that association, or the individual papers which used that advertising. Are they paid separately?

Mr. GARDINER: I am not certain about that. I know only this, that when I was in Saskatchewan we made our arrangements with an association. I think the cheques were actually issued to the local papers, when payment was made. However, I would not be absolutely certain about that. In some cases small amounts probably went out to the association, and they distributed them.

The other suggestion which has come up among the suggestions made since the dinner recess is to the effect that I should give some assurance to the farmers of Canada as to what the future has in store for them. I do not know why I should be asked to give that assurance again, because on each occasion my regular estimates were before the house I was asked to give an assurance, and did give it. Then, on a previous occasion, when the speech from the throne was read to the house, an assurance was given. On an occasion prior to that the Prime Minister gave it, in a radio address which covered all Canada. And on an occasion even prior to that I myself gave it from the city of London, Ontario.

If another assurance now can help any, I have no objection to giving it, but I must say those assurances have been given regularly. They have been to the effect that there would be brought before the house this session legislation to provide for floor prices on farm production. The reason given for bringing this legislation down this session to establish floor prices under farm products is that during the war, or during the greater part of it, we have had controls on farm prices in the form of ceiling prices, which have indicated the highest prices at which those products could be sold.

Consequently it has been said that since we have had control on inflation through the setting of ceiling prices, toward the end of the war and after the war we should have control against deflation, and thus provide floor prices under farm products. That assurance has been given by the government on quite a number of occasions, and by me on many occasions in so far as farm products are concerned.

But hon. members who have spoken are not satisfied to ask just for that assurance. They have made some comments on past policies in relation to prices, and on the accomplishments in relation to those prices. I would repeat what I said in the house on a number of occasions, namely, that we have had floor prices on farm products ever since the first year of the war. As a matter of fact we had a floor under wheat before the war started. Since the war began we have had floor prices under many other farm products, until to-day there are floor prices under most of them.

One product, to which that statement does not apply, and to which some hon. members would no doubt suggest it should apply, is potatoes. We have had some discussion in recent weeks as to whether we should have a floor price under potatoes. I can only say what I said to the house last session in that connection, namely, that we have been giving careful consideration to the question as to whether we ought to place floor prices under potatoes.

Western members will understand what I mean when I say this, that if I had my choice as to what potatoes I was going to eat I would eat western potatoes. I have a reason for saying that. My hon. friends from New Brunswick and from Prince Edward Island will probably not agree with me, nor would I expect them to. But anyone who gets a roasted potato out west—

An hon. MEMBER: He has something.

Mr. GARDINER: Yes, he has something. In order to emphasize the importance of that statement I would recall to the minds of hon. members that if they would go into the United States—or had they been there prior to the war; one is not permitted to go so often now as he was then—they could scarcely have driven through any part of the western United States without seeing Idaho licences on motor cars. And whenever one did see an Idaho licence, he saw Idaho potatoes advertised. The reason for that is that Idaho potatoes are known for their quality over the greater part, if not indeed the whole of the United States. Because of the climate in

which those potatoes are grown, and because of the kind of soil in which they are produced. they are exceptionally fine. We have much of that similar climate, and much of that similar soil in the western part of Canada.

Might I add that we have a few hundred thousand acres of potatoes grown in Canada. At the present time the natural place to grow them is in New Brunswick or Prince Edward Island—

An hon. MEMBER: And Nova Scotia.

Mr. GARDINER: And Nova Scotia, my hon. friend says. Most of them are produced in New Brunswick and Prince Edward Island, for commercial purposes. I have visited those areas, and I am inclined to think that if any other group of farmers in Canada were to take away the market which the people of New Brunswick and Prince Edward Island have for potatoes, the people who live in that section of Canada would have a difficult time making a living for themselves. I do not think this government should do anything, even in connection with floor prices, which would make it impossible for those people to have the market to which they have been accustomed for the potatoes they grow in those areas.

That brings me to the point that we have about 300,000 farmers in western Canada, all of whom, or practically all of whom grow on their own farms the potatoes they require. But they have not been accustomed, and to my mind there is no reason why they should become accustomed to producing potatoes to be marketed in other parts of Canada. But I wish to say that if they were induced to produce only five acres each of potatoes, there would not be a market anywhere in this country for potatoes produced in Prince Edward Island and New Brunswick. Five acres on each of the farms in western Canada, producing potatoes of the kind they can produce and in the quantities they could produce, and shipped to the markets of this country, would drive potatoes from other parts of Canada off the market. With regard to a product of that kind some thought and attention and some care have to be given by the government. We have to be careful not to get results which we do not intend to get.

Therefore I wish to say only this, in so far as potatoes are concerned, that we had to give considerable care and attention to the setting of floor prices which would be sufficiently high to induce people all across Canada to go into the production of potatoes—because you can produce potatoes in any backyard, anywhere across this country, from one end to the other.

When it comes to other farm products, however, such as have been discussed here this evening—cattle, hogs, wheat and feed grain products—there are reasons why they can be discussed from a different point of view. Take feed grain, for example. We have been accustomed to feeding the greater part of the feed grain we grow on the farms where it is grown, shipping comparatively small quantities from the west to eastern Canada in order that the eastern farmers might produce more live stock than they could otherwise. The problem of dealing with coarse grains, in relation to both ceiling and floor prices, is quite different from the problem of dealing with the other products of which I have been speaking.

Then as far as beef cattle are concerned, in Canada we have been producing beef for two markets. Before the war we produced beef for the Canadian and United States markets, with very little going to the British market. We sent some 20,000 to 40,000 head to Britain and some 300,000 head to the United States; the remainder were consumed in this country. The problem with regard to beef is somewhat different from the problem in regard to either of the products of which I have been speaking. Beef cattle can be and are raised on practically every farm all the way across Canada. We can and do raise them in British Columbia, on the prairies, in central and eastern Canada and in the maritimes. The same thing is true in regard to hogs, but I am sure hon. members will agree that we have had sufficient experience during the war to know we can get an enormous production of hogs by changing the price level. It has been suggested that the price level has not been changed as much as might have been the case, but I should like to mention the prices in regard to these two products during various months in the years from 1938 to 1944. The figures in regard to good steers, up to 1,050 pounds, at Winnipeg, were as follows for the month of January in each of the following years:

Year	Per 100 pounds
1938	$ 4 83
1939	5 99
1940	6 65
1941	8 07
1942	8 83
1943	10 44
1944	11 31

So that there has been a gradual increase every year from 1938 up to the present. I now give the figures for the month of June in the same years:

Year	Per 100 pounds
1938	$ 6 50
1939	6 24
1940	7 46
1941	8 15
1942	11 58
1943	11 63

Of course we have not reached June of 1944.

Mr. BLACKMORE: Could the minister give us the prices the feeders had to pay in the fall of each of those years?

Mr. GARDINER: When we get down to the general item on cattle I will do that; I am dealing now with the general question of inducing farmers to produce by a higher price level. I now have the figures for October in the same years:

Year	Per 100 pounds
1938	$ 4 85
1939	6 03
1940	7 00
1941	8 08
1942	9 43
1943	10 45

Those are the prices for good butchers at Winnipeg, which as hon. members, and particularly those from the west, will understand is the basic price for steers delivered to that market.

I should like to make a comparison with hogs, and I am going to take the live weight price for hogs because in the earlier years we did not have rail grading; but I have reduced the rail grade prices to the live weight basis in order that the figures may be comparable. These are the prices per 100 pounds for hogs, at Winnipeg, in January of the years in question:

Year	Per 100 pounds
1938	$ 8 28
1939	8 54
1940	8 61
1941	7 65
1942	10 40
1943	11 55
1944	12 23

In other words, starting in 1938 with $8.28 the price has increased each year, with one exception which I am sure hon. members will remember, until it reached $12.23 in January of this year. I now come to the figures for June in the same years:

Year	Per 100 pounds
1938	$10 66
1939	8 78
1940	7 75
1941	9 23
1942	10 62
1943	11 87

Again we are unable as yet to give the figure for June of this year. It will be noticed that there is a difference between the period I have mentioned and the present period. It will be noticed that the high price for hogs in 1938 was in the months of May, June and July. The price in May was $10.28; in June, $10.66, and in July, $11.83. It dropped in August to $9.63; in September to $9.21, and in October to $7.80; then it went up again in January to $8.28. The next year war broke out and prices changed to some extent. The following year there was another change in prices. Coming down to 1943, however, we find the price in January, $11.55; in June of the same year, $11.87, and in October, $11.73. In other words, the price is maintained at approximately the same level throughout the whole year. That was true from January through to October; then on October 1 our hog year changed and the price went up to $12.05. The following month it was $12.23, and in April of this year it was $12.29. In other words, the price runs along almost at a dead level throughout the year, whereas previously the high prices would be in May, June and July.

There is an explanation for that, and that explanation applies to beef as well as hogs. Up to the moment, however, it has not applied to beef to the same extent, largely because we have had very little export of beef since 1942; all our beef has been consumed in Canada. We are, however, exporting beef this year. As a result of our experience during the war we have established more or less of a flat price for hogs throughout the year, something for which farmers have been asking during my experience. The farmer has been saying that he does not want a condition under which, because of a rush of hogs to the market, someone can force the price down at one period of the year, process the hogs, put them in the form of bacon or keep them in freezers and carry the pork into another period when the price is higher, and make great profits at the expense of the farmer. Producers of live stock believe that prices should be kept fairly level throughout the year. Our first opportunity to do that came during this war period, and it came about in this way. Ever since the war started there has been a constant demand for all the hogs we could produce. That constant demand has come from the British market; there has not been very much variation in the demands of the Canadian market. When the Canadian demand did go up we imposed regulations in order to prevent the Canadian people from consuming as much pork as they were prepared to consume. The reason was that we wanted to send over to Britain the full supply that she wanted. In order to make that possible, we entered into a contract with the

British government in the first year of the war, in the fall of 1939. We contracted to supply bacon and ham to Britain to a quantity of 291 million pounds in the twelve months from October 1, 1939, to October 1, 1940. We did supply in that year to Britain, because of conditions I have described in this house before, 330 million pounds.

In the next year we contracted to supply to Britain 425 million pounds, and we did supply about 440 million pounds. In the next year we contracted to supply to Britain 600 million pounds, and we supplied approximately 600 million pounds. The next year we contracted to supply 675 million pounds, and we supplied that amount.

What are we doing this year? We entered into a contract with the British last fall to supply them with at least 900 million pounds of bacon and ham within two years. The terms of the contract were "at least 900 million pounds". There was nothing in the contract, as I have told the committee before, to prevent our marketing 900 million pounds to Britain in 1944. But there was a lot of agitation in this country to the effect that the signing of the contract for 900 million pounds in two years meant that we were restricting the supplies of bacon and ham to Britain to 450 million pounds in the first year as against the 675 million pounds that we had supplied in 1943.

What has our experience been? Our experience has been that seventy-seven per cent of the 500 million pounds which was the minimum that we eventually said we would supply in 1944 has already been purchased for the supply of Britain, and we have yet to pass through the remainder of the fifth month of the year. In other words, we are well on the way to supplying Britain this year with the whole quantity of 900 million pounds that we agreed to supply her in two years, and there is the possibility that if we get our increases of hogs in the fall of the year in proportion to the numbers we have got in preceding years we may find it necessary to market very close to the full quantity of 900 million pounds in the first year rather than to wait for the second year in which to supply that quantity.

What position does that put us in? My hon. friends across the way want to know what assurances we can give the farmers that they will be able to market hogs in the future. The assurance has been announced on a number of occasions. I do not know why I am asked to announce it again, unless to advertise what the department is doing, and I rather enjoy doing that. I am quite prepared to give it to the committee. I have announced it all over the dominion. I have announced it in Alberta; I have announced it in Saskatchewan, in twenty-five different places; I have announced it in Manitoba; I have announced it in Ontario, in a number of places; I announced it only within the last week in the province of Quebec; and while I have not been in the maritimes to make the announcement I know that what I say gets down there because I read some of the Tory press from that section of the country. Therefore I think the idea has been pretty well disseminated all over Canada. But in order to make doubly sure that it is known, I think the committee will agree that I ought to put one of these advertisements in the papers to tell those who do not already know it that we have negotiated an agreement with Britain for four years. That negotiated contract will cover 1944, 1945, 1946 and 1947; and what we have attempted to do in that contract is to have the British agree to take as many hogs from us in the next four years as they have taken from us in the last four years, and to take them over at a price which is higher than has been paid for them before, whether we pay for them out of the federal treasury or the British pay for them out of the British treasury—that they be paid for at a price, within the figures I have just spoken of, equal to about seventy-five cents per hundredweight higher than we obtained in any other year except the year we are now in.

I had expected—probably I should not have said this to-night—to be able to announce the terms of the contract to the house before this, but I am not going farther than to say that we have negotiated the contract. It has not yet been signed. It may be changed in some of its details before it is finally signed. But I can assure this committee and assure the farmers that there is no reason for worrying about our not going to have a market for a very considerable part of our hogs for a period of years. When I have said that, I do not want anyone either inside the house or outside to misunderstand me. Any agreement which we enter into with the British or with anyone else cannot lose sight of the fact that we are living in a world where we have associations with other people. We are not simply the citizens of one country. Anyone who realizes what the Atlantic charter means—and that has been spoken of a number of times to-night—knows that when this war is over, if we are to be able to live under conditions of peace for a period of years—and we all hope it will be a long period of years—we must take into consideration the fact that people are living in other parts of the world and that people are producing in other parts

of the world the same products that we produce in Canada. We must take into consideration, too, that the British are not going to be always buying from this country all the food they require. We must recognize that that will be one of the factors of the future. So that when hon. gentlemen say to me, "Why don't you tell us what you are going to do?" I can only say in reply: If anyone in this house can tell me what the conditions are going to be for the next ten years or for the next five years, and absolutely guarantee that those are going to be the conditions, I can guarantee that inside of two or three weeks' time we will work out and put into effect a policy that will be satisfactory under those conditions. But I must confess that I do not know all that is going to happen within the next five years, and certainly I do not know all that is going to happen in the next ten years. If, however, we can get a satisfactory agreement—satisfactory to the farmers of this country and satisfactory to the Canadian people generally—covering products of this kind for a four-year period, we are certainly giving some assurance to the farmers as to what they can do in the years that lie ahead.

Then, as already announced, we have a two-year contract on eggs, at a higher price than in the past. We have already announced a two-year contract on cheese, at the same price that we have had in the past.

If I had not been able to get these ideas over to this house by reciting them to the house half a dozen times over in one form or another, then I submit that I ought to have more money for advertising in order that I can get these ideas out, at least to the country.

The position in connection with these contracts has been placed before the house. I recall, when I say this, that every session until this session every member who has risen on the opposition side of the house, with very few exceptions, and at the moment I cannot think of one, to discuss this problem has talked about parity prices. I think we heard this mentioned twice to-night. I have an idea that an hon. member mentioned it and realized he was reciting his last year's speech, and he dropped it just as quickly as he could get away from it. Why has he dropped it? Because we have parity prices on all farm products to-day, and higher than parity on most of them. So that if anyone wants us to go back to parity he wants us to go lower down than we are at the present time. I do not agree with that policy; I think we should at least hold what we have for the time being and see to it that our farmers get the returns which are guaranteed in the returns we now have.

[Mr. Gardiner.]

Someone said, "Oh, that is just because of the war". The war has had considerable to do with it in this way, that Britain wants food products. Before the war we were supplying part of her bacon and ham. To-day we are supplying as much bacon and ham as she got from all the other countries in the world before the war. Her main supplier before the war was Denmark. We are supplying practically all the bacon and ham of the Danish type and the Canadian type that are going into the British isles to-day. We may not be able to hold all that business when the war is over. We may require to find some markets elsewhere. Britain has been taking eighty per cent of our bacon products; she has been taking between seventy and eighty per cent of our cheese; she gets seventy to eighty per cent of our wheat which is marketed; and so on right down the row.

There is to-day a demand for these products such as we did not have at the beginning of the war, and such as we have not had down to the present time even during the war as far as wheat is concerned. The demand for wheat is increasing, and we have sufficient to supply Britain for many months in advance, with the storages of wheat that we have in this country at present.

Let me repeat that the reason why we have been able to maintain prices at the level throughout the year is the fact that there has been a constant demand for all of those products that we can produce, with the exception of wheat, and the demand is growing for wheat. As the demand has grown from year to year we have been able to maintain a higher level of production and a higher level of return for the product.

Someone says, "Where do you get the money?" I know that is something in which my friends of the Social Credit group are interested. They wonder where we get the money from. I suggest to them that money is a medium of exchange.

Mr. BLACKMORE: Hear, hear. It is time the minister learned that.

Mr. GARDINER: I learned that away back in my boyhood days. I found that if I did not have a little of it in my pocket I could not get much in exchange.

Mr. BLACKMORE: That is still true.

Mr. GARDINER: Yes; but the first fundamental thing is to have the products, and the next fundamental thing is to have a market to put them in because somebody wants them. To-day, because Britain wants them, and because we want to see that she gets

them in connection with the prosecution of the war, we are able to arrange that all the products shall be taken and that certain price levels shall be set in payment for them. You say, "Who pays for it?" Britain pays part of it and we pay the other part. In other words, we go right into the pockets of the people of Canada; we ask them to put up sufficient of the price to make it possible to get the increased production we are getting of farm products from one end of this country to the other.

Mr. QUELCH: You created a billion dollars last year.

Mr. GARDINER: My hon. friend says that we created a billion dollars. We created a billion dollar's worth of wealth, a billion dollar's worth of food, plus munitions, plus machines, and we distributed it to different countries where there was a very strong demand for it.

My hon. friend says, "What are you going to do in the future?" Well, I am afraid we shall have to do very much as we have been doing during this war, and very much as we had to do over a long period before the war started. Anyone who gets the foolish idea that the law of supply and demand, which was not written by anybody but simply exists, does not exist, is not going to do much to solve the problems which will be in existence when the war is over. If there is a demand, and there can be a demand, for all the food that we are producing on our farms, of course we shall be able to dispose of all that we produce, and I believe that any government that is in existence in this country or in any other country which has been associated with the allies in this war should be convinced that we ought to do everything we possibly can to see that these markets are assured in different parts of the world for the food which Canada produces.

The hon. member for North Battleford mentioned the point this afternoon when she referred to the needs of India, China and other countries. Of course we all know that the peoples in those countries, at any time in the generations that have gone by, could have consumed very much more food products than they were able to have delivered to their countries for consumption. We know, too, that there will be available a place in those countries for these food products if certain things are done here and certain things are done there, and those things we all hope will be possible as a result of any peace which is made at the end of this war. But when all that is done, it will continue to be true that there will be a demand for food in some parts of the world and a surplus of food in other parts of the world, and there will still be the necessity of transferring surpluses from where they are to the places where the supply is short. If that is done, we in Canada will be able to produce to the limit of our possibilities and market the products at a return which will make it possible for us to carry on our farms.

I hope that I have made myself plain on this occasion. I hope that I shall not be asked on every item of administration to say the thing all over again, but if I am asked another three or four times I suppose I shall have to say it, and I shall be quite pleased to do so if it is insisted upon.

Mr. PERLEY: Did I understand the minister to state that we have a parity price with respect to wheat?

Mr. GARDINER: Yes. We have at present a floor of $1.25 under wheat, and all the wheat that is being sold at present is being sold at above the parity.

Mr. PERLEY: Does the minister maintain that the farmers receive what is termed the parity price?

Mr. GARDINER: The farmer is getting a guaranteed advance of $1.25 a bushel, no matter what the price of wheat is; but the price of wheat has been above parity, if not ever since that floor was set, within a very few days after it was set; it is continuing there; and the farmer has a participation certificate.

Mr. CRUICKSHANK: I might preface my remarks by saying that fools enter where angels fear to tread. If we have disposed of wheat and pigs I should like to ask through you, Mr. Chairman, if I am in order, a question with reference to berries. I am not endeavouring to enter into an argument; I want some information: Is this the item on which I can get it?

Mr. GARDINER: I am afraid that it will not come under any of my items, because I believe the question which the hon. member is about to ask has to do with prices set by the prices board, which is not within my department.

Mr. CRUICKSHANK: That is not the question I was going to ask. What I am particularly interested in is what policy the Department of Agriculture intends to recommend in connection with the disposal of our surplus crop of berries in the Fraser valley. There are several questions I want to ask, but first I would point out that there is an order in council, not under the minister's

department, which affects agriculture in British Columbia to this extent that the disposal of our berry crop there has been settled. I understand that it does not affect any other province. We have been told that we must dispose of our processed berry crop, our SO_2 crop, this year in a certain way—someone is interrupting me. It may be S.O.S. in Nova Scotia, and I do not wonder if Nova Scotia needs an S.O.S. because the maritimes have always been tagging along for the reason that they will not fight for themselves. However, we are told that we have to dispose of our berry crop to the manufacturer in the east—another interruption. It is all right. I am getting a lot of advice in this corner from a lot of hon. gentlemen who know nothing about farming, not the slightest thing.

I will quote the order so that it will be on the record. I am referring to administrator's order A-1200, according to which any raspberries or strawberries must be sold through the Commodity Prices Stabilization Corporation Limited, or designated manufacturers. In British Columbia we do not object so much to the fact that we are forced to sell through that medium; but last year, in March, we sold some berries and did not get paid until October. I am not complaining at this time that our berries are allocated to different manufacturers; but, if we are compelled to dispose of our surplus crop in the manner directed, will some arrangement be made to finance that transaction instead of having the farmers themselves carry it over from the time the pack is put up until the following year?

Mr. GARDINER: As I said, the corporation spoken of is under the prices board and they, of course, will be able to explain, when their estimates are before the committee, the reason for the regulation to which reference has been made. All I can say with regard to berries is that on each of the occasions on which they have had a surplus of berries in British Columbia since the beginning of the war, the special products board, which operates under the agricultural supplies board, has marketed the supplies in Britain, and I think I should say also that the hon. member who has just spoken has had more to do with the pressing of that and getting it done than anyone else. Nevertheless it has been done. We marketed in Britain 1,186,640 pounds in 1942, about 3,260 barrels, and last year I understand there was not a surplus of them and there was no marketing in Britain that year. I presume that so long as they are required in Canada, the prices board, which after all is entrusted with the task of trying to maintain food in Canada to feed the Canadian people, after it is once produced by the farmers here, will see that we have sufficient to supply our own people, and if there were a surplus, arrangements could be made to have that surplus shipped to Britain.

Mr. CRUICKSHANK: I am not quarreling; I am seeking information. I repeat that the position in British Columbia is this. Our crop is allocated to manufacturers in the east and the board tells us how we must ship. The farmer must hold the crop until such time as the board gives directions. Our crop may be out in July and August, but we cannot ship until we are so instructed. My question is, will any provision be made so that the board will finance the crop through the bank or otherwise, while we are holding it, until the board tells us where to ship and when?

Mr. GARDINER: All I can say in answer to the last question is that it will be taken up by the minister in charge of that board when his estimates are before the house. I would point out, however, that the same principle applies to all farm products grown in Canada at present. The first charge upon farm products is the requirements of the Canadian people. It may be by rationing that we limit the requirements of some products; but once it has been decided by the prices board and those associated with them as being necessary for feeding the people in Canada, including the armed forces, that amount of food is retained here. The only products of which a continuous movement is maintained from one end of the year to the other are those of which there is a continuous supply in excess of consumption. That is true of cheese, wheat, hogs and cattle, and arrangements are made to move the surplus, sometimes throughout the year. One of the reasons why they had a difficulty with cattle in Alberta is that we have not had that arrangement made up to the present in connection with cattle, because this is the first year in which we have had a surplus continuously to ship since 1942.

Mr. CRUICKSHANK: If I am not mistaken, there is an initial payment on wheat. I do not think the minister has followed me. I repeat that I am not quarreling with the fact that our crop is allocated to Canada or anywhere else, but I do quarrel with the fact that the farmers' cooperative should be compelled to carry $450,000 worth of fruit because the board says that it cannot be shipped to eastern Canada, Ontario and Quebec—I presume Quebec again has too much to say in the matter—except under certain con-

ditions that are stipulated. The board tells us when we can ship, and tells us that we cannot ship, let us say, until six months from the time of production, and we submit that the government or the board should finance the transaction. I put it directly, Mr. Chairman, through you to the minister: Is that not a fair assumption? Is it not an assumption that he as Minister of Agriculture might recommend to the board?

Mr. GARDINER: The assumption of anyone is that until the crop is pretty well assured and we are well on in the season in which it is picked, no one will be in a position to say whether there will be enough berries harvested to supply all the people in Canada. I should think, however, that those who are regulating the supply will see to it that a certain distribution is made in the sales of these berries by those who produce them. In other words, whatever proportion of the berries is taken will be taken from all the people. I would imagine that would be the case, and if that is the case then I presume that if ninety per cent of the berries are to be consumed in Canada, that ninety per cent of the money or value of them will be paid to those people as they go along. There may not be the necessity for financing in so far as day to day is concerned. I am under the impression—I may be wrong in this—that in all the sales that have been made in the past when there has been a surplus these costs have been taken into consideration when sales of these surpluses that come through have been made later to the British government. I would imagine that when the time comes to sell any surplus that may be in existence attention will again be given to that consideration, and I have no doubt that the matters which have been mentioned by the hon. member will be taken into consideration.

Mr. FAIR: The question of parity prices has been discussed to some extent to-night, and I am afraid that we are being led astray again because of the word "parity prices." I understand that the period 1926 to 1929 has been used as the base for computing those prices. If my understanding is correct, the farmers of Canada received 16·6 per cent of the national income during that period. At that time the farmers of Canada comprised about thirty-three per cent of the population. Therefore, one-third of the population of Canada received only one-sixth of the national income, and our prices are based on that. My belief is that if we are to figure parity prices as they should be, then we should take the period 1915 to 1919 when we had much higher prices. At that time the farmers of Canada received a percentage of the national income in comparison with the farm population to the whole of Canada. I do not think we should be misled by having statements made that we are now getting parity prices or above. When we come to the period 1926 to 1940 we find that on the average the farmers received only 9·6 per cent of the national income, and when we get back to 1932 we find that the farmers of Canada received five per cent or one-twentieth of the national income, whereas we were entitled to one-third. I think these things ought to be taken into consideration when we are figuring parity prices.

Some hon. member across the way said that the farmers were now paying off their debts, and supposes that everything is O.K. I wish that that hon. member would look back at some of the legislation that has been wiped off the statute books of the western provinces. One such piece of legislation was debt-protective legislation, and the mortgage companies were turned loose and were taking very good andvantage of the opportunities that were given to them by the removal of this debt-protective legislation. That is one of the reasons why farmers are paying off their mortgages. Another reason is that farmers are producing to the very limit at the present time. The condition of their buildings is going down, not up. Paint is needed. Their farm implements, in almost all cases, are wrecked, because they have not been able to buy machinery. If a true picture of conditions on the farm is given then we shall have an entirely different position presented here. I am quite free to admit that conditions are better on the farm to-day than they have been, but why compare prosperity conditions of the present day with depression conditions that existed particularly between 1930 and 1939? I think we should take into consideration some of the downfalls and pitfalls of the farmers of Canada before we make statements that everything is all right with them at the present time.

Mr. GARDINER: I have not said that everything is all right at the present time, nor have I compared prices with the prices of the drought period or of the depression period. I have made a comparison with the prices of 1926 and 1929, which were the years of the highest income that the farmers had ever obtained before the present period. At that time the highest cash income that the farmers ever had was $1,063,000,000. That was in 1928. The greater part of that farm income

was due to the fact that they harvested a crop of 560,000,000 bushels of wheat that year, most of which we were able to sell at a high price. When one takes that into consideration and remembers that in 1942 the cash income of the farmers across Canada was $1,114,000,000 and in 1943, $1,396,000,000, or almost $1,400,000,000—and there is no doubt in the world that if we get an average crop this year that figure will be increased by some hundreds of millions of dollars—one can see that the farmer is certainly better off. I am not saying that the farmer is getting all that he ought to get, or that his condition has improved as much as some people like to picture it, but I am saying that at the present time he has the best conditions economically that he has ever had, and if that is not better than parity then I do not know what parity is. Again, if one wishes to know whose definition of parity it is, let me say that the definition of parity that I am using is the definition which was put out by the farm federation in 1940 when we started the drive for parity prices. Now that we have passed it I am not going to let anyone, with my consent, change the definition.

We were asked for a certain thing. We started out to get it. We got it and we passed it, and when we passed it I said to everyone who made representations to the government: "I am not satisfied with parity prices for the farmer." I said that in 1940. I have repeated it in this house every session since. I am not satisfied with parity prices for the farmer, because for ten years prior to this war the farmer took returns such as no other industry in Canada and very few farmers elsewhere in the world took for their farm products. That is illustrated by the fact which was emphasized by the hon. member for Melfort when he spoke this afternoon, that back in 1932 the total cash income of the farmers of Canada was $383,000,000. When hon. members rise in this committee at the present time and complain that the condition of the farmer is not better when the cash income is $1,396,000,000, more than $1,000,000,000 higher than in 1932, then I say that they are not giving consideration to all the facts in connection with the matter. When I say that I am not suggesting that this government is responsible for all the change, but I would remind the hon. member for Haldimand and the hon. member for Qu'Appelle that they were not on sound grounds either this afternoon or this evening when they suggested that there was a good crop in Ontario and Quebec last year.

Mr. PERLEY: I did not suggest that.

[Mr. Gardiner.]

Mr. GARDINER: The hon. member for Haldimand suggested that was one of the reasons why we got such high returns. One of the poorest crops that they have ever had in Ontario in the last fifty years was harvested last year, and in spite of that we have this $1,396,000,000 of income across Canada on our farms. While a year ago when someone twitted us with taking credit for the increased income and said that we had the best crop we ever had, I said that I preferred to be on the side of those who are responsible for the climate, and liked it better to have them on our side, on this occasion when the same hon. members come back and twit us with the idea that we cannot take credit because we passed through a year of the poorest crop in fifty years, then I think they are playing two ways with a vengeance. The fact is that the income was $1,396,000,000 in 1943, and that it has been going up as compared with 1943 every week since the beginning of 1944, and if conditions continue as they are we shall probably have a very much increased cash income in 1944.

The CHAIRMAN: We are now on item 2. The minister having answered all the questions asked, I suggest that we should stay within the item.

Mr. CARDIFF: I shall stay within the item, because I believe it would include surplus beef. There is no one in the house who admires more than I do the way in which the Minister of Agriculture expresses himself in regard to government policy. I would not expect him to admit that government policy was to some extent responsible for the bottleneck in the beef market this spring. Nevertheless, that is so.

Mr. GARDINER: I did not say that.

Mr. CARDIFF: Two years ago we were short of beef. We were told to hold our beef at least one year longer so that we could increase the weight, and thus have more beef. A great many farmers held their beef a year longer with the result that this spring we had a surplus of beef, and could not dispose of it. Some time ago, I cannot just say when, meatless Tuesday was arranged. That continued until there was no space left to store beef. We had no outside market. The market was for home consumption. Then meatless Tuesday was discontinued.

I blame the government for that condition. Before every space was filled, meatless Tuesday should have been cut off. I do not suggest that any government could be perfect, because I realize no one is perfect. But when the government makes a mistake it should be ready to admit it.

Mr. FAIR: I think the minister has given us what we call in the west a bum steer. He is taking into consideration gross prices and not net prices, and forgetting entirely the extra cost farmers have to pay for bringing about this production. He must also remember that last year we had one of our biggest grain crops in the west. A number of other things have not been taken into consideration. I have not my figures here to-night, but there will be another occasion when this matter may be discussed further.

If the minister will go back and look over the percentage of national income for the period 1915 to 1919 he will find that the farmers received one-third of that national income, and I believe that that is still the level upon which our parity price should be based, regardless of any recommendation that has been made by the federation of agriculture.

Mr. EVANS: If you have parity prices—

Mr. FAIR: The silent member from Saskatchewan may make his own speech, when he has the chance, later on. At the present time I am making my contribution. On another occasion, when I have a chance to get my figures together, I think I can support the statement I have just made to the effect that the period 1915 to 1919, when farmers received one-third of the national income for their one-third of the population, is much better and much closer to the mark than the period 1926 to 1929, when we received only one-sixth of the national income for our one-third of the population.

Mr. PERLEY: Just a moment ago the minister referred to the hon. member for Haldimand, and what we had said with regard to parity prices. He said that for the last ten years he has not been in favour of parity prices for certain farm products, because he maintained that it was not enough.

Mr. GARDINER: I said that I was in favour of more.

Mr. PERLEY: Yes; he was in favour of more. I should like to know if any hon. member in the house has ever heard him say so in the last ten years.

Mr. GARDINER: You can read it out of *Hansard.*

Mr. PERLEY: He cannot find it in *Hansard,* and I will venture to say he never said, on the floor of the house, that he would maintain a better price than parity for certain farm products. I will go farther and say that it was first mentioned by this group, on this side of the house. I know I can show a press report of two years ago wherein a good deal of publicity was given to a discussion in the House of Commons on parity prices, and complimentary references were made to two members of the official opposition. It was pointed out in the report that they were the only ones who knew what they were talking about. If the minister was so much impressed with the idea of a better-than-parity price, particularly for wheat, why was it that in 1935, and particularly in the early part of 1936, when he became Minister of Agriculture, he endeavoured to sell about 250,000,000 bushels of wheat of western Canada at a price to break the market. He put on a fire-sale price. He was accused of it, and he did not deny it.

Mr. GARDINER: Yes, I denied it.

Mr. PERLEY: And he tried his best to sell wheat day after day. They could not sell it fast enough, to break the market, and later made a handsome profit out of wheat which had been accumulated by the previous government. Why did the minister on that occasion inaugurate the policy of selling wheat, so much every day during trading hours in order to try to break the price and get it down below the price which had been set, and which was above parity price at that time?

Mr. GARDINER: If the hon. member will come into my office to-morrow morning I will give him a pamphlet in which I said I never was at any time in favour of a fire sale, and that there never had been a fire sale, in the sense in which my hon. friend speaks of it.

Mr. PERLEY: What kind of sale would the minister call it?

Mr. GARDINER: Well, I ran an election on it in the spring of 1926, in the next constituency to the hon. member's, and was elected by a majority of 3,600, despite the fact that he was there campaigning against me.

Mr. HENDERSON: I heard the minister say that he was in favour of selling at better than parity price and would not be satisfied with just parity prices. I heard him make that statement, all over Saskatchewan.

Mr. WRIGHT: I do not wish to get into a discussion about parity prices; but if the minister was so much in favour of parity prices, why did he not give a little kinder reception to the wheat pool delegates when they were here a couple of years ago asking for parity prices?

Mr. GARDINER: The advance was raised twenty cents.

Mr. WRIGHT: This is an election year, when it is likely to make more kudos for the Liberal party. That is why we get parity prices from the government. Before the dinner recess the minister spoke about the Canadian Federation of Agriculture, and complimented them upon the cooperation he was receiving from them. Well, they were prepared to give that same cooperation in the first year of the war, but they did not get any cooperation from the government. There was a fight to get prices of agricultural products rasied to the point at which they are to-day. What did they have to do to raise the price of butter? What did they have to do to riase the price of grain?

As the minister said, there has been a gradual increase. A concerted attempt had to be made by organized farmers to get justice from the government. But it is only at the present time that they are getting anywhere near justice—and even at that it is not full justice. I remember well in 1927 buying a tractor in western Canada, and paying $1,485 for it. Last year I bought the same make of tractor, and it cost more than $2,000. At the time for which the minister quotes his parity price we were paying in western Canada wages of $50 or $60 a month, but to-day we are paying fifty per cent more than that. So that there is still a long distance between parity price to-day for farm products, and the price the farmer should receive.

The minister mentioned that farmers in western Canada had been wanting for years to get an even price for hogs over the full year, and he quoted prices to show that that condition obtained to-day. I will tell him this, that the farmers of western Canada have not been fighting to get an even price for hogs over the whole year. Anyone who produces hogs knows that it costs fifteen per cent to twenty per cent more to produce hogs during the winter than in the summer. What the western farmers objected to was the fluctuation in the market in the fall of the year, when they marketed their greatest number of hogs. As a matter of fact, in its first bacon policy after the war started this government intended to establish a differential between prices of hogs raised in the summer and those raised in the winter, but found that, because of the increased production of hogs resulting from a greater number of people going into that business on a commercial scale who found that they could raise hogs for practically the same price the year round, it was not necessary to level out the supply in that way. When the war is over, however, and we get back to normal times we shall find it necessary to make a differential between prices of hogs raised during the summer and those raised in the winter if we are to have an even supply and keep our packing plants operating throughout the year.

The minister has taken a great deal of credit for the increased production of hogs and cattle. Let me say that the increased production this year is owing largely to the fact that in 1942 we had the largest grain crop ever produced in the history of Canada, and there was no market for it. The only way in which it could be marketed was in the form of hogs and cattle, and those are the hogs and cattle that are coming on to the market to-day. That is why we have such large amounts of meat products coming on to the market. The crop was not as large last year, and by this time next year the minister will find that the production of meat products will have dropped. That will be quite natural, because there just is not the feed in Canada with which to produce a greater number of cattle and hogs.

That was not what I rose to say; I wanted to ask a question with respect to this item, which has to do with assistance in the disposal of agricultural products rendered surplus by the war. I suppose this item of $550,000 is largely to take care of the apple surplus, and I should like the minister to break down the item and tell us in connection with what products this assistance will be given.

Mr. SENN: While the minister is getting ready to reply, I notice that last year $1,080,000 was voted under this same item. When the minister is answering the hon. member for Melfort will he give us some idea of how the money voted last year was expended, and with what results?

Mr. GARDINER: The suggestion of the hon. member for Melfort is correct; the greater part of this item has to do with the apple crop in Nova Scotia, British Columbia and Ontario. The larger portion of the expenditure is for Nova Scotia, and there is a considerable amount in connection with the British Columbia crop as well. Not much has been spent in regard to the Ontario crop. Perhaps I should say that the market has been so adjusted that the Ontario crop has an advantage on the Canadian market over the others which are being assisted by the treasury of Canada. For the year 1943-44 the amount provided for the Nova Scotia apple agreement was $3,158,000, and this year the amount provided is $550,000. This is not the amount which will be involved in the 1944 agreement, however; this sum is to pay the balance owing on the 1943-44 agreement. The agreement for 1944-45 is not ready yet, so that it is not possible for me to state what amount will be

involved. We know very little of the crop as yet; as a matter of fact I do not think it is even in the blossom.

Mr. WRIGHT: Does this vote apply to any product other than apples?

Mr. GARDINER: That is all; apples.

Mr. STIRLING: Would the minister put on record the figures for British Columbia and Ontario?

Mr. GARDINER: The amount provided for British Columbia in 1943 was $212,000, and this year that is reduced to the amount shown, $50,000.

Mr. STIRLING: That is, $50,000 less than that was required?

Mr. GARDINER: No; this item is $162,500 less this year than it was last year; but the agreement with British Columbia has not yet been concluded, so that we do not know what will be involved in this year's contract.

Mr. STIRLING: But my recollection is that in the public accounts for 1942 the figure was about $2,500,000 spent for Nova Scotia and something over $250,000 for British Columbia, and I wondered whether we might have the comparable figures for 1943.

Mr. GARDINER: The appropriation for British Columbia in 1942 was $1,000,000, but the expenditure was $311,434.37. The appropriation for Nova Scotia was $2,000,000; the expenditure was $1,763,670.13, and there was a recovery of $352,672.73. That is, the products were sold for that amount, so that the net cost was $1,415,997.40. The net expenditure for British Columbia on the 1942 crop was $212,500.

Mr. STIRLING: Is the comparable figure for 1943 available?

Mr. GARDINER: No; the figure for 1943 is not yet available.

Mr. STIRLING: In the public accounts the allotment for Nova Scotia was just over $3,000,000, and the expenditure was just under $2,500,000. For British Columbia the allotment was $965,000, and the expenditure was $261,000. Was that the figure the minister just gave?

Mr. GARDINER: The figure I gave was $261,414.06.

Mr. STIRLING: And we cannot have the 1943 figures yet?

Mr. GARDINER: No.

Mr. JOHNSTON (Bow River): A moment ago the minister mentioned the agricultural income for all Canada. Could he break that down into the agricultural income for each province?

Mr. GARDINER: Yes, I have that here.

Mr. JOHNSTON (Bow River): Could the minister give the figures for the last eight or ten years?

Mr. GARDINER: I could put them on the record; they cover most of this sheet.

Mr. JOHNSTON (Bow River): I think it would be all right if the minister just gave the figures for last year and put the rest on the record.

Mr. GARDINER: The figures for 1943 were as follows:—

Prince Edward Island	$ 15,920,000
Nova Scotia	30,940,000
New Brunswick	34,450,000
Quebec	200,030,000
Ontario	389,140,000
Manitoba	136,140,000
Saskatchewan	311,440,000
Alberta	223,080,000
British Columbia	55,810,000

That makes a total of $1,396,600,000. If the committee desires the break-down by provinces for the ten years, with your permission, Mr. Chairman, I will now put them on *Hansard*. They are as follows:—

GROSS AGRICULTURAL CASH INCOME: RECEIPTS FROM SALE OF FARM PRODUCTS, 1934-1943
(Does not include all subsidies paid)

	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
					(Million Dollars)					
1934	4·11	13·18	8·78	60·36	145·55	43·34	93·47	95·28	21·20	485·3
1935	3·83	13·86	8·85	64·59	155·09	36·13	108·10	98·91	21·93	511·3
1936	5·16	14·29	10·46	72·10	184·80	47·23	125·84	94·85	23·48	578·2
1937	5·97	17·58	11·83	85·51	215·99	74·90	84·29	122·17	27·50	645·7
1938	5·27	17·70	10·84	89·85	219·02	65·06	93·41	133·92	29·25	664·3
1939	6·53	13·12	12·12	101·49	217·92	64·75	158·06	120·17	28·17	722·3
1940	7·24	17·17	15·52	120·68	233·42	64·98	150·85	127·19	28·80	765·8
1941	8·55	20·06	19·45	144·88	286·49	81·65	161·96	154·41	36·65	914·0
1942	12·70	25·96	27·30	176·91	355·11	101·32	195·47	175·56	44·67	1,114·9
1943	15·92	30·94	34·45	200·03	389·14	136·14	311·44	223·08	55·81	1,396·6

Item agreed to.

Freight assistance on western feed grains, $16,500,000.

Mr. JOHNSTON (Bow River): An instance which was drawn to my attention not long ago I should like to bring before the committee, because it may be typical rather than an individual case in connection with this assistance given on feed grains. It is a situation which I think is unfair. A farm was owned by a widow who moved into Calgary. She rented her farm to a man in that neighbourhood, who farmed it for one year and raised coarse grains while he was renting it. Then he moved off and a new renter came on this year. Being a young fellow he bought stock and was going to feed hogs and cattle. He bought the grain which the farmer who had previously rented the place had raised. Then, when he applied for his fifteen and ten cents a bushel on the grain for feed purposes he was refused it. The government claimed that the subsidy could not be paid because the coarse grains had been raised on the same land where the stock was to be fed. The thing seemed so obviously wrong to me that I immediately wrote to the man and told him that I was sure there must be some mistake. As I began to go into it a little farther, I was informed unofficially that probably the reason for refusing the subsidy was that the permit had to stay with the land regardless of who the farmer might be. It seems to me that when there is an entirely different man renting the farm, the permit should not be attached to the land but rather to the man who raised the crop, and that the man who rented the farm should be entitled to his fifteen cents a bushel on the grain for feed purposes. I wish the minister would clear that up.

Mr. GARDINER: I assume that the only reason that could be given is the one just stated. If the permit was associated with the land and remained there, then the regulation, as I understand it, provides that anyone who has a permit to sell wheat or feed grain this year cannot himself become a purchaser of the grain and get the assistance that is paid on the grain that is purchased to feed.

Mr. JOHNSTON (Bow River): The man who had the permit and sold the grain was not the feeder. It was an entirely different renter.

Mr. GARDINER: It comes under the wheat board, under the Department of Trade and Commerce. But I have had correspondence with regard to other cases which involved the matter of requirements with respect to the permit book. I cannot see any other reason. I do not know why the permit book would follow the land. I think it is a case that requires some discussion with the wheat board, and if there has been a wrong interpretation by someone, I am sure that it would be straightened out.

Mr. JOHNSTON (Bow River): While it is not in the minister's department, I think it would assist the committee if the minister could state that the permit went with the man who raised the crop and did not stay with the land. There is the difficulty.

Mr. GARDINER: I am not in a position to state that, because I imagine it would depend somewhat on what the deal was as to whether the permit would or would not remain with the land. But if a person is buying grain from another person who previously owned it, and he had no interest in it, I would think that under the regulations if he drew that grain into the elevator and weighed it and then drew it out again, he would be able to draw the ten and fifteen cents. But it may be that he took the grain out of the bin and fed it to the hogs and cattle. If he did that, he would not be able to draw the ten and fifteen cents. He must take it into the elevator, weigh it and get a certificate, and move it out again.

Mr. JOHNSTON (Bow River): It has to be taken into the elevator and taken out again?

Mr. GARDINER: That is as I understand the regulations.

Mr. WRIGHT: Before the dinner recess I was mentioning the difficulties in the distribution of feed grains in the east. I would ask the minister to give us some account of what is being done and to tell us whether there are cases where the grain is being handled by several different firms before it gets to the consumer in eastern Canada, and, if so, what is being done to prevent that. It seems to be an unnecessary expense. There is also the question of grain which has to be shipped by water and goes into the terminal elevators in the east, on which transportation the freight rate is approximately $4 a ton, while the rate on grain brought by rail is $4.50. I should also like a break-down of this item by provinces. How much assistance has been given to feeders in Ontario, Quebec and the maritimes?

Mr. GARDINER: The amount of money paid out in freight assistance from October, 1941, to March 31, 1944, by provinces is as follows:

Province	Tonnage	Value	Average rate per ton
Ontario	2,601,309	$11,705,890 50	$4 50
Quebec	2,072,308	10,919,431 26	5 26
New Brunswick	258,831	1,941,232 50	7 50
Nova Scotia	319,698	2,589,553 80	8 10
Prince Edward Island	91,286	748,545 20	8 20
British Columbia	431,714	2,730,214 41	6 32

Total tonnage shipped east and west, 5,775,146; value, $30,634,867.67.
Average rate per ton, eastern $5.22.
Average rate per ton to British Columbia, $6.32.

Mr. WRIGHT: Why is the rate so much higher to British Columbia when the distance from Alberta is so much shorter?

Mr. CARDIFF: It has been stated from this side of the house and from the other side that the western farmer is not getting sufficient for his grain and that therefore, we are being allowed freight assistance. I would point out that when that freight assistance was given by the government, the ceiling price was raised just about that time to the extent of the freight assistance.

Mr. WRIGHT: I assure the hon. member that, in inquiring about this freight assistance, I was not trying to intimate that we in western Canada object to it. We have no objections to it whatever.

Mr. CARDIFF: I was not making any particular reference at this time to what the hon. member said, but on Friday evening several hon. members spoke of western Canada receiving this freight assistance. When the freight assistance was supplied the price of the feed went up to the extent of the freight charge, and while we appreciated the fact that we were getting freight taken off, I think the western farmer is receiving just as much for his grain, and always will, so long as we have a Minister of Agriculture who comes from the west.

Mr. GARDINER: With regard to the statement just made, I feed hogs and cattle in both eastern and western Canada, and those that I feed in the east are not very far from where the hon. member who has just spoken lives. Last year I shipped a carload of grain from my farm in Saskatchewan to my farm in Ontario, and I must say that the grain was landed in Ontario without any cost to me. I could have fed the grain at exactly the same price on my farm in Saskatchewan as I was feeding it at in my farm in Ontario, which indicates to me that by the action of this government something happens between the two farms which makes it possible for one to move the grain all the way from the west down east, if he farms in both places, and to feed it here at the same cost as if he lived and fed it on a farm in western Canada. I am not saying that that is any greater help to eastern farmers than to western farmers because there is involved in that, ten cents on oats and fifteen cents on barley, which goes to the western farmer, and there is involved in the freight assistance given to the eastern farmer an average of somewhere about twelve cents a bushel.

Mr. SENN: On barley.

Mr. GARDINER: Well, on the average of the different feeds that are used. So that I think one is treated just about the same as the other. It is our intention that they should be, and I think that is the way it is working out. I do not think it can be contended that anybody is getting any particular advantage over some other person.

Mr. CARDIFF: I do not think so either. But the minister will admit that the time the price was put on grain the market price was raised to almost the same amount as the freight assistance.

Mr. GARDINER: I will not admit that, no. There has been no rise in the selling price since the price was first set.

Mr. CARDIFF: But the selling prices of the commodities which are sold here have been maintained right through.

Mr. GARDINER: There are different prices on grain products that are sold in eastern Canada; because—again—I purchase them in both places, and I have purchased grain in Huron county for feed and have bought it at three different prices. When I go there to buy it and ask why I have to pay a higher price for one lot of grain than I pay for another, they tell me it is made out of grain that is of a higher grade, and I assume that that is the reason for the grain costing me more. But so far as I know there has been no increase in the selling price since the ceiling was first established.

Mr. CARDIFF: But the ceiling was established just prior to the time the freight assistance was given to us, was it not?

Mr. PERLEY: What was the date of the freight assistance?

Mr. GARDINER: There has been freight assistance on this basis since October, 1941, and that was the same time as the price ceiling was set.

Mr. CARDIFF: That is what I said.

Mr. GARDINER: They were set at the same time; all set about the same date.

Mr. SENN: I think the hon. member for Melfort asked the minister a question which he has not yet answered. I understand that when I was out of my place for a minute the minister took me to task about my statement in regard to Providence giving us a bountiful harvest. Nobody knows better than I do that our spring grain crop last year in Ontario was more or less of a failure, but that does not alter the general situation.

The point, however, which I wish to put to the minister at the moment, and I think it was mentioned by the hon. member for Melfort, is that, as the minister has already stated, different prices are charged in different parts of Ontario to farmers who are buying mill feeds which come from the west, in the shape of grain. I have heard criticisms on the part of the farmers, many of whom are not able to finance the bringing down of a carload of grain for themselves. The grain is bought by milling companies or other small companies which manufacture it into feed, and different prices are charged. Is there any supervision on the part of his department to see that the farmers are not charged two or three prices illegally or wrongfully by different companies, some of whom would make a greater profit than others? It seems to me that when a milling company gets freight assistance in this way it should be fair at least to the man who has to feed the grain.

Mr. GARDINER: My information is—of course I am not now in a position to follow it through—that the ceiling price on mill feeds in Ontario is established on a level throughout the province. There is a mark-up which is allowed by the prices board under certain conditions. I am not able to give the details with regard to them, but the ceiling price that was established has been maintained, as I understand it, all the way through.

Mr. SENN: My information is that different prices are charged, and it seems to me that somebody, either the wartime prices and trade board, or the Department of Agriculture, which is supplying the freight assistance, should see to it that the farmers all over the province get an even deal.

Mr. WRIGHT: The minister did not answer my question with regard to whether there were three or four dealers handling this feed between the time it arrived in the east and was finally sold to the producer. I have been told that last year, during the shortages of feed in the east, certain firms had control over large quantities of grain in eastern Canada; that deficiencies occurred in areas where these firms did not have outlets; that as a result grain had to be transferred, sometimes as many as two or three times, before it reached the consumer, and that each one of the people who handled it got a commission on it. I do not see any reason for the existence of that condition, and I wish the minister would give us some information on the subject.

Mr. GARDINER: I understand that there have been cases where there have been shortages. As a matter of fact, when I was in Paris, Ontario, some time this spring a gentleman came to me and told me that he had had difficulties for a week or so in getting grain, because the regulation was that they had to take it from the lake front and they were not able to get it from the lake front, and there was a supply at Toronto. As soon as they made their application to the board and got the matter dealt with, there was a shipment made from Toronto into that area, and that involved some additional freight. I am informed by the representative of that board here that the freight was paid by the board and that it did not cost the farmer any more than it would have cost him had it been shipped from the lake port. In other words, the ceiling price was maintained on the grain just as though it had come from where it was first ordered to come from, but where it could not be obtained because the supply was not there.

Mr. WRIGHT: In other words, the extra commissions are paid by the government rather than the producer. But I still do not see why the cost should come out of the pockets of the public, or why there should not be a better distribution to avoid this expense.

Mr. PERLEY: Will the minister state why there is over 100 per cent increase in this item? Will he also state whether the $8 million voted last year was fully expended, or was it overexpended? Also, who is the administrator, and what staff does he have to administer this vote of $16,500,000?

Mr. GARDINER: It was very much overexpended.

Mr. PERLEY: Last year?

Mr. GARDINER: The estimates approved for freight assistance on western feed grain amounted to $20,750,000, and cash allotments, $20,750,000. The actual expenditure was $17,758,291.79.

Mr. PERLEY: And the amount voted last year was all expended?

Mr. GARDINER: Yes.

Mr. PERLEY: That is the reason for the increase this year?

Mr. GARDINER: Yes.

Mr. PERLEY: Who is the administrator?

Mr. GARDINER: Mr. Davidson.

Item agreed to.

Subsidy on western wheat used exclusively as feed for live stock, $8,000,000.

Mr. CARDIFF: About a year ago I asked the minister some questions with regard to screenings coming from the west. As far as I know, the western farmer gets nothing for the screenings. We in eastern Canada, especially in the county I represent, can feed vast quantities of these screenings if we can get them at a reasonable price, but we find that by the time we get the screenings they cost from $24 or $25 to $30 a ton. The western farmer, however, gets nothing for it. There is no reason why we should not get these screenings at more reasonable prices. If the western farmer were getting his fair share out of it, it would be a different story and we would not begrudge him what he might get; but when someone else in the middle class gets what he should not get, then I suggest it is high time the minister took a hand in it so that we might get the commodity at cost.

Mr. GARDINER: If the screenings amount to 1½ per cent the farmer gets paid for them after cost of cleaning is accounted for. I presume the reason why some particular amount is stipulated on screenings is that the cost of cleaning practically involves the price of the screenings. But if it runs over that, the farmer in the west is paid for it.

Mr. SENN: Has the minister any idea of the quantity of screenings that came down last year? I can recall that in years gone by there were bitter arguments in this house and in the committee on agriculture in regard to the advisability of bringing from the west to Ontario screenings which are full of weed seeds. There was a time when it was advocated that all these screenings should be ground before being brought into Ontario. Ontario is infested badly with weeds at the present time, and it would not make it any better to bring in a new crop of weeds from the west and have them ground here and have vital weeds sown. Very often weed seeds do go through the grinders and are still vital. Is a considerable amount of these screenings coming down? If so, is any attempt made to see that the weed content of the screenings is not vital?

Mr. GARDINER: The amount of screenings which came down in 1942-1943 was 48,225 tons, and the amount that came down in 1943-44, 39,790 tons, a decrease of approximately 9,000 tons.

Mr. SENN: They were not ground?

Mr. GARDINER: No, they were not, I imagine. They were ground in the plants here before going out. The hon. member for Haldimand knows that most of the regulations with regard to seeds are provincial regulations. We may put them into effect and enforce them in connection with the shipping of grain from the west, but before changes are made in them we consult the provinces. This last year, in order to make it possible to get feed grain down, we had to raise the seed content of the grain from one per cent to 3 per cent so as to avoid having all the cars go to Fort William to be unloaded and the cost added to the grain shipped east. To avoid that, we got the provincial governments to agree to the seed content being raised from one to three per cent while shipment is going on. We advertised that fact all through Ontario so that the farmers could clean the grain if they thought it wise.

Mr. SENN: I understand that the weed seed content and the control of weed seeds are largely in the hands of the provincial governments, but it seems to me that our federal department should have some interest in the matter, because, after all, a certain proportion of that material which comes down is taken to the farms and ground by the farmer's own power machinery. Very often it is not effective and a certain amount of weed seeds go through the grinders and are sown finally through the manure, and they are vital. In the interests of agriculture something should be done to see that these weed seeds are not distributed through the country. It is a very live question, and there is always a certain proportion of careless farmers, as there are careless persons in every other class, who allow this to be carried on. They do not mind, so far as their own farms are concerned,

and at the same time they infest other people's farms. More care should be taken to see that these weed seeds as they come into Ontario and the eastern provinces are more closely controlled.

Mr. BURTON: I presume that the wheat under this item of $8,000,000 for subsidy on western wheat used exclusively as feed for live stock is purchased from the wheat board?

Mr. GARDINER: Yes.

Mr. BURTON: I was wondering why it is only on western wheat. Can the minister explain why it does not apply to all wheat that is purchased for feed?

Mr. GARDINER: I presume it is for the same reason that we do not pay anything on the movement of grain in eastern Canada from one place to another. It is much for the same reason that we do not permit the payment of ten cents and fifteen cents on oats and barley in the west to the farmer who actually grew it. In the east you have soft wheat, which is different from our western wheat. In some years it has been higher in price than the western wheat and in other years lower. I remember one year, if one shipped western wheat to the east—two years ago—he would sell it here at twenty-five cents a bushel more than you could get for eastern wheat. One could sell his wheat here at twenty-five cents more than it cost him to get western wheat shipped from the west and put on his farm. At present it is the other way around. Probably the farmer gets a little less for his wheat than we get for our wheat in the west. At least, it was that way a few months ago. When these changes take place from one year to another we do not follow it through and adjust the differences. They balance, over time.

Item agreed to.

Flax fibre administrator—administration, $32,300.

Mr. BURTON: Can the minister give us an idea of what has been done in connection with flax fibre?

Mr. GARDINER: At the beginning of the war we were asked by the British to assist in providing seed for fibre flax. We were also asked to produce more fibre from flax in Canada. Speaking from memory, I believe the acreage in fibre flax at the beginning of the war was about 12,000 acres. It is now somewhere around 43,000 acres. There has been an increase from around 12,000 or 13,000 acres to about 43,000 acres. That has been about the acreage for the last two years and I think it is about what we expect this year.

[Mr. Senn.]

Mr. BURTON: What strikes me as being odd about this is that it is all for administration. Is there nothing to show for the assistance of those who have undertaken the work?

Mr. MARSHALL: Before the minister answers that question, may I say it was my intention to go into the matter of flax raising and processing.

Mr. GARDINER: This has not to do with western flax, but with fibre flax.

Mr. MARSHALL: Has it nothing to do with the matter of administration of flax?

Mr. GARDINER: The matter of the control of prices of flax and all that comes under the wheat board and the Department of Trade and Commerce. This has to do with fibre flax only. To answer the question that was just asked, this is all spent on administration in connection with fibre flax.

Mr. MARSHALL: Where can we discuss the question of the establishment of a flax processing plant in western Canada?

Mr. GARDINER: Is the hon. member speaking of flax seed for linseed oil or fibre flax? There is a plant at Portage la Prairie—

Mr. MARSHALL: Is there a processing plant in western Canada?

Mr. GARDINER: There is one being placed at Portage la Prairie.

Mr. MARSHALL: For what purpose?

Mr. GARDINER: For testing of fibre flax and fibres of all kinds.

Mr. MARSHALL: Not for the purpose of manufacturing linen?

Mr. GARDINER: No, it is a pilot plant to make studies in connection with fibre, the proper kind of flax to grow in the west, the conditions under which it should be grown and the areas in which it should be grown.

Item agreed to.

Fertilizers and pesticides administrator—administration, $31,850.

Mr. WRIGHT: There is considerable information with respect to this item that I should like to have from the minister. Last fall I was in the maritime provinces, and there I found a considerable shortage of fertilizer among the potato growers of New Brunswick and the other maritime provinces. At that time fertilizer dealers had orders to supply only the customers that they had the year before and not to allow them any more than they had the year before. That meant that there could be no increase in the production

of potatoes in those areas, because they require fertilizer if they are to produce a good crop.

This spring I also had a letter from Saskatchewan and I should like to read a short portion of it. It deals with this matter and is as follows:

> We usually order our fertilizer in the fall. Last fall we ordered one hundred tons from our local agent. A few days ago we were notified by our agent in Carragana that owing to a federal order he would not be able to fill our fertilizer orders. All he could get on his hundred ton order will be twelve tons. Out of that twelve tons he will have to supply registered feed growers first, which will take all he has.

Then the letter goes on to point out that in this particular area of Saskatchewan it is essential that they have fertilizer; that it means that their crops ripen probably a week or ten days earlier and that they get away from the frost. It also says that there is a considerable production of live stock there for which this feed is necessary. I took this matter up with the fertilizer administrator, and the information which he gave me was that there was a shortage of fertilizer in Canada and that the government were doing the best they could to see that there was a fair distribution of it.

A few days later I received bulletin No. 2095 from the Department of Trade and Commerce. It is dated March 25, and in it I find a statement of exports of principal commodities. In the month of February, 1943, there were exported from Canada $1,268,000 worth of fertilizer, while in the month of February, 1944, there were exported $2,268,000 worth. In other words, during the month of February we exported from Canada a million dollars' worth more fertilizer than we had the year before, while apparently our own producers in Canada, who are producing the grain, are unable to obtain this fertilizer. There must be some explanation for this. I know the fertilizer used in New Brunswick is probably not the same kind of fertilizer that is used in western Canada, but I know the fertilizer which is being exported from western Canada is of the type that is being used out there on the farm. When we can get a better price in the United States for the grain we produce in western Canada, but it is needed in Canada, the government sees that our home market is supplied. In the matter of fertilizer apparently it is a different proposition. If these figures are correct, manufacturers of fertilizer are allowed to export large quantities to the United States where the price levels are higher than ours and where they get more for fertilizer than if it were sold on the Canadian market.

When the minister's estimates are up to-morrow I should like him to tell us the amounts of fertilizer that were imported into Canada during the years 1942 and 1943 to date, and the amount which was exported from Canada of different types so that we shall know exactly what the position is. I think the farmers of Canada are entitled to all the fertilizer that they can get, if that fertilizer is in Canada, or if it can be obtained for them. I should like the minister to give some figures with respect to that to-morrow.

Mr. GARDINER: I think the principle involved is really more important than the figure. It has always been necessary to exchange the ingredients of fertilizer between this country and the United States. There are some things which they have a surplus of and some things which we have a surplus of, and under conditions such as we have at the present time it is, of course, necessary to give as well as take. When there are some fertilizers required there or some of the ingredients of fertilizer mix which is used are required there and we require something else here, well, of course, the commodity is divided up in the manner which is thought advisable.

The fertilizer most used by the farmers of the prairie provinces has been the 11-48 brand of ammonium phosphate. This fertilizer with its fifty-nine units of plant food, is one of our most concentrated chemical fertilizers and therefore much in demand during the war by the United Kingdom, who wish to economize on shipping. The prairie farmers used approximately 6,000 tons in 1942 and 8,000 tons in 1943. The demand this year has been again increased. In order to make good our promises to the United Kingdom we had to notify the Consolidated Mining and Smelting company, who manufacture this fertilizer, that they could not sell on the prairies amounts in excess of last year until our allocations to the United Kingdom and the United States had been made. The company has increased its production, and the fertilizer year is drawing to a close with the amounts promised exported to our allies and 10,000 tons delivered on the prairies. Because of the feared shortage in the west 1,344 tons of 16-20 form of ammonium phosphate and 270 tons of ammonium sulphate have been delivered to the prairie farmer. The net result is that he has received more fertilizer this spring than in any previous year. Therefore I think probably very little complaint can be made about that. I believe it is true that the western farmers are becoming more inclined to use fertilizer and it is going up. It has gone up from six

to eight and now to ten, which would indicate that he is using, if he can get it, very much more than he was using before.

Mr. WRIGHT: I should like the minister to give complete figures of the imports and exports to-morrow, so that we shall see for ourselves. I have no doubt the minister may be right, but I should like to see the exact figures.

Item stands.

Progress reported.

PRIVATE BILLS COMMITTEE

Hon. T. A. CRERAR (Minister of Mines and Resources) moved:

That the name of Mr. Picard replace that of Mr. Durocher on the standing committee on miscellaneous private bills.

Motion agreed to.

On motion of Mr. Crerar the house adjourned at 11:05 p.m.

Tuesday, May 23, 1944

The house met at three o'clock.

EMPIRE DAY

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, in looking over the proceedings of the house I notice it has been suggested that some recognition should be taken by the house of the fact that this is Empire day in Canada.

An hon. MEMBER: To-morrow.

Mr. MACKENZIE KING: No, it is Empire day in Canada to-day. To-morrow, as I understand it, is Victoria day. I doubt if a more appropriate means could be taken by the house to recognize Empire day than that we all join in singing together the anthem which will be honoured in all parts of the empire on Empire day. If this meets with the approval of hon. members I suggest that we now join in the singing of God Save the King.

(The members rose and sang God Save the King.)

PETITION

SOLDIER SETTLERS, VETERANS OF FIRST GREAT WAR

Mr. ROBERT FAIR (Battle River): Mr. Speaker, I have the honour to present a petition signed by approximately 12,500 citizens of western Canada, asking, among other things, that veterans of great war No. 1 who hold land under contract with the soldier settlement board be granted clear titles. I do not think anything more appropriate could be granted on this anniversary than that which is asked for in the petition.

VACANCY

Mr. SPEAKER: I have the honour to inform the house that I have received a communication from two members informing me that the following vacancy has occurred in the representation, viz:

Of Eugene Durocher, Esquire, member for the electoral district of St. James, Montreal, by decease.

I accordingly issued my warrant to the chief electoral officer to make out a new writ of election for the said electoral district.

FARM LOAN BOARD

CORRESPONDENCE RESPECTING RESIGNATION OF S. T. SHABBITS

Mr. D. C. ABBOTT (Parliamentary Assistant to the Minister of Finance): I beg leave to present parliamentary return, reference 248, asked for by the hon. member for Mackenzie (Mr. Nicholson), for a copy of all letters, telegrams and other documents with respect to the resignation of S. T. Shabbits.

While there is no objection to the production of the correspondence in this case, nevertheless it is not considered generally in the public interest to produce inter-office correspondence, and the production in this case is not to be taken as a precedent.

It is to be noted that the Canadian farm loan board has been constituted by parliament as a body corporate and politic and is vested with full control over the employment and dismissal of all its employees other than chief executive officers whose appointments are subject to the approval of the governor in council. The board, moreover, is charged with the responsibility of carrying on its operations on a self-sustaining financial basis and does not come to parliament for an appropriation of funds for administrative expenses.

QUEBEC SYNAGOGUE

CIRCUMSTANCES OF DESTRUCTION BY FIRE

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I should like to ask a question of the Prime Minister, who has no doubt read the reports of the shameful incident which occurred in the city of Quebec, where a newly built Jewish synagogue was burned down. I am suggesting that since this is the kind of occurrence which we witnessed in Europe, the Prime Minister might express on

behalf of the house a condemnation of such proceeding. Then, possibly the Minister of Justice might enable the mounted police to cooperate with the city police to try to bring the culprits to justice.

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend was kind enough to give me notice of his intention to ask this question. Although I have not had an opportunity thus far to read the newspaper account to which the hon. member referred, I would not hesitate to say that any act of criminal arson cannot be too strongly condemned, and is many times more reprehensible when its motive is that of in any way seeking to promote racial or religious prejudice.

So far as cooperation of the Royal Canadian Mounted Police with the provincial police is concerned, it is my understanding that it is the practice of the Royal Canadian Mounted Police to cooperate in every way possible with provincial police, when asked to do so by provincial authorities.

STATUTORY HOLIDAYS

STATEMENT AS TO REDUCTION IN NUMBER AS EMERGENCY WAR MEASURE

On the orders of the day:

Hon. N. A. McLARTY (Secretary of State): On Friday last the hon. member for Broadview (Mr. Church) requested that a statement be made in connection with public holidays. Possibly it would clarify the situation somewhat if I were to make a brief statement.

Under the statutes of Canada Sunday is the only day upon which ordinary businesses are compulsorily closed.

With the development of the production of war materials in Canada on a large scale, it became necessary to make provision, as an emergency war measure, for a reduction in the number of holidays which had been generally observed. Accordingly, by an order in council passed under the War Measures Act and tabled in this house, it was provided that apart from Sundays or such weekly days of rest provided in lieu thereof, the following statutory holidays, and these holidays only, should be observed by employers and employees during the war: New Year's day, Good Friday, Dominion day, Labour day, Thanksgiving day, Christmas day; and that reasonable opportunity should continue to be allowed to employees for the performance of their religious duties.

It was also provided that the provisions of any collective labour agreement that are inconsistent with this declaration of policy should be suspended for the duration of the present war by mutual consent of the parties thereto but pending such suspension should remain in force and continue to be observed. This was a declaration intended to express the views of the dominion government in relation to industry and more especially to war industry.

It will be observed that the terms of this declaration are not mandatory but constitute a declaration of the policy which the government, having regard to the necessities of the war, felt should be followed by employers and employees throughout the country in these critical days.

The order in council, however, dealt with two specific statutes of the parliament of Canada. One is the Civil Service Act, which prescribes the holidays to be observed by the public service of Canada. The other is the Bills of Exchange Act, which contains a provision prescribing the days which in all matters relating to bills of exchange should be observed as legal holidays or non-juridical days. The order in council provided that the terms of these statutes relating to holidays should be suspended during the duration of the war or until otherwise ordered and that the only holidays which should be observed were the ones I have enumerated above.

If provincial governments and municipalities proclaim any day to be a public holiday within their jurisdictions, it is not a matter with which the dominion government has anything to do, but any day so appointed is not a day which can be observed as a bank holiday.

Victoria day, the 24th of May, is not a public holiday in the United Kingdom, and, while there have been suggestions that the order relating to the observance of Victoria day should this year be modified in Canada, the government has to keep in mind that at any hour, so far as we know, word may come of the beginning of military operations on a gigantic scale in which Canadian forces will be heavily engaged. It would, therefore, seem inappropriate that the government of Canada should select this particular time for modifying the regulations which it felt it its duty to make, having regard to the needs of our war effort.

It is, I am sure, the hope of all of us that before the 24th of May next year conditions may have so changed as to permit the public observance of this popular holiday on a national scale. In the meantime, however, as I have said, if provincial governments or municipalities set aside this or any other day as a holiday within their jurisdictions, for

schools and the like, it is not a matter in respect to which the dominion government has responsibility.

There seems also to be some uncertainty as to the proper date for the observance of Dominion day. A perusal of the order of the 7th June, 1943, will show that Dominion day is to be observed and celebrated on Saturday, the 1st day of July, 1944.

WAR APPROPRIATION BILL

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

The house resumed from Monday, May 22, consideration in committee of a resolution to grant to His Majesty certain sums of money for the carrying out of measures consequent upon the existence of a state of war—Mr. Ilsley—Mr. Bradette in the chair.

DEPARTMENT OF AGRICULTURE

Fertilizers and pesticides administrator—administration, $31,850.

Mr. WRIGHT: Can the minister now give the figures I asked for last night with respect to the amount of fertilizer and component parts thereof imported in 1942, 1943 and to date in 1944, and the amount exported during the same periods?

Hon. J. G. GARDINER (Minister of Agriculture): The figures asked for make up quite a table. I think it would be better to have it placed on *Hansard,* if that is agreed.

Mr. WRIGHT: That will be quite satisfactory.

Mr. GARDINER: I will first read the statement accompanying the table.

The three main plant foods required by our crops are nitrogen, phosphate and potash. There is no production of potash in Canada. Our entire supply has to come from the United States. It is essential in eastern Canada and in British Columbia for the production of potato fertilizer and fertilizer for other crops requiring potash.

There is no suitable commercial phosphate rock mined in Canada. All our requirements come from the United States. The production of ammonium phosphates at Trail and of superphosphate at our plants in eastern Canada would not be possible without this phosphate rock. Even with this 310,000 tons of rock, Canada produces only approximately one-half of her requirements of superphosphate. The other half of our superphosphate, namely 135,000 tons, must be imported, and large tonnages of it come from the superphosphate plants in the eastern United States. Our maritime provinces especially depend on American supplies.

Of the 600,000 tons of fertilizer materials under allocation by the combined food board for export by Canada, all is surplus nitrogen with the exception of approximately 40,000 tons of mixed fertilizers exported to Maine and 53,000 tons ammonium phosphate to the United Kingdom and the United States. This surplus nitrogen was produced for export to meet the needs of food production of the united nations throughout the world. Much was produced in the government nitrogen plants established primarily for munitions purposes. In 1942-43 four tons of ammonium nitrate were shipped to the United States for trial as fertilizer. In this year, 1943-44, 162,367 tons are being shipped. Similarly, in 1942-43 we exported 94,689 tons of ammonium sulphate, this coming year 197,426 tons. These tonnages were exported only after the Canadian farmers' needs for these chemical materials were fully met. In exchange for them we received the potash and phosphate so badly needed.

I will now ask to have the table put on *Hansard,* Mr. Chairman:

Shipments of Fertilizer Materials from Canada to Other Countries

	Allocated by the Combined Food Board for the year ending June 30, 1944	Comparable shipments during Fertilizer year 1942-43
11-48 Ammonium Phosphate	(tons)	(tons)
United Kingdom	29,000	
United States	24,500	
	53,500	
16-20 Ammonium Phosphate		
India	16,050	
United States	57,770	
	73,820	64,979

Shipments of Fertilizer Materials from Canada to Other Countries—*Con.*

	Allocated by the Combined Food Board for the year ending June 30, 1944	Comparable shipments during Fertilizer year 1942-43
Ammonium Sulphate	(tons)	(tons)
Barbados	2,968	
Jamaica	672	
St. Kitts	302	
St. Lucia	352	
St. Vincent	280	
Ceylon	17,300	
India	15,531	
Middle East	15,214	
Malta	200	
New Zealand	4,251	
Nigeria	460	
Portuguese East Africa	898	
Rhodesia	2,226	
Sierra Leone	6,030	
Union of South Africa	6,000	
Tanganyika	242	
Uganda	200	
United States	121,000	
Iceland	3,300	
	197,426	94,689
Ammonium Nitrate		
Southern Rhodesia	200	
Middle East	9,190	
New Zealand	100	
United Kingdom Account	15,678	
United States	137,199	
	162,367	4
Calcium Cyanamid		
Middle East	2,905	
Ceylon	6,095	
British Guiana	5,000	
United States	100,000	
	114,000	100,000
Total	595,113	259,672

Total Fertilizer Materials Received by Canada from Other Countries

	Fertilizer year 1943-44		Fertilizer year 1942-43	
	United States (tons)	Russia (tons)	United States (tons)	Russia (tons)
Muriate of Potash	60,000	1,400	62,000	5,000
Sulphate of Potash	4,200		4,000	
Potash Manure Salts	12,500		20,000	
Phosphate Rock	310,000		250,000	
Superphosphate	135,000		148,000	
	521,700	1,400	484,000	5,000

Mr. BLACK (Cumberland): It is my understanding that the purpose of this vote is to equalize the cost of fertilizer to the farmer in different parts of Canada, and the government pays the freight. But on referring to Canadian war orders, No. A-1036, dated December 23, 1943, I observe that in New Brunswick, Nova Scotia, and Prince Edward Island the cost is uniformly higher than it is in Ontario and generally higher than it is in the province of Quebec. On most ingredients it is 50 cents per ton higher in the martime provinces than it is in Ontario. In the matter of fertilizer under 9-5-5, used largely by orchardists, more of which is used in Nova Scotia than in other parts of Canada, the cost per ton is $1.50 higher in Nova Scotia than in the province of Quebec. I

would ask the minister for an explanation of these excessive costs in the maritime provinces and why these provinces are apparently discriminated against in comparison with the central provinces.

Mr. HANSON (York-Sunbury): I would support what my hon. friend has just said. I have not my files with me but I have had extensive correspondence with the officials of either the Department of Agriculture or some other department of government. I think there has been discrimination in some parts of the country in favour of cooperative societies as against ordinary consumers, on the theory that the cooperatives are able to buy a little cheaper and distribute the difference by way of dividends among their associates. That is the theory which was sold to me by somebody; I do not state it as a matter of fact. I should like to know exactly what the position is. The fact remains, as the hon. member for Cumberland has just stated, that costs of fertilizer in the maritimes are higher than in the central provinces. We are supplied, as the minister has stated, from the United States side of the line. I do not see why on principle there should be any difference in price, especially as the government is paying a subsidy so that, as I understand it, there may be support for these people, and equalization. Like the hon. member for Cumberland, I ask why there is a difference, perhaps more than fifty cents a ton—

Mr. BLACK (Cumberland): Up to a dollar and a half.

Mr. HANSON (York-Sunbury): —up to a dollar and a half as against certain parts of the country in comparison with the central provinces. It is the old story: down there we have to pay a little more for everything than is paid in the central provinces, and our people are just fed up with that condition. There may be a reason for it, I do not know; but the reasons which were given to me do not over-persuade me that there is justification for it. I should like to know what the justification is.

Mr. GARDINER: Well, Mr. Chairman, selling prices and price controls generally are not under this department.

Mr. HANSON (York-Sunbury): I realize that.

Mr. GARDINER: I understand there is a wholesalers' price which is established the same all the way across Canada, but for some reason which I am not able to explain—probably those who come from the maritimes can explain it—fifty cents greater profit is allowed as between the wholesaler and the retailer in the maritime provinces than is permitted elsewhere.

Mr. HANSON (York-Sunbury): I do not know why that should be.

Mr. GARDINER: I am informed it has always existed, not only since the prices board took control, but before the board had anything to do with it. Apparently they simply acknowledged the business conditions which existed, which before control was taken, provided for the higher prices in the maritimes than exists elsewhere.

Mr. BLACK (Cumberland): Is it not a primary duty of government in a war measure such as this to protect the consumer?

Mr. GARDINER: Again I should not be speaking for the prices board. Some of us are occasionally very critical of them, but after all, what most of us have insisted upon is that they maintain the condition which was there in the four weeks over which the price level was taken and apply it for the period ahead. I assume that if business conditions in the maritime provinces necessitated that during that period of time and previously, it has been maintained down to the present.

Mr. BLACK (Cumberland): If it is the policy of the government to protect the wholesaler against the consumer, they should make a reduced price and pay the extra cost from the government's funds rather than impose additional cost on the consumer. If they intend to perpetuate this excessive charge against the consumer, the government should certainly pay the difference and not impose that additional cost upon the farmer and the user of the fertilizer in the maritime provinces, in contrast with what is done in central Canada.

Mr. HANSON (York-Sunbury): I realize that this matter does not come under the minister's department.

Mr. GARDINER: And for that reason it is not very fair to be discussing it now, when the minister in charge is not here.

Mr. HANSON (York-Sunbury): I am inclined to agree, and, knowing the great anxiety and care which the minister has for the farming population of this country—

Some hon. MEMBERS: Hear, hear.

Mr. HANSON (York-Sunbury): —especially those on the western prairies, whom he has bonused time after time to cut down production, I suggest that he and the officials of his department look into this complaint, and that the minister try to persuade his colleague who operates the wartime prices and trade

board to rectify what I believe is a discrimination, and what the farmers of the maritime provinces do not hesitate to call gross discrimination as compared with their competitors in Quebec and Ontario. I make that suggestion to the minister. I have to go to a meeting now. If I can find my file I shall be back to tell him what the excuses are—not the reasons, but the excuses which have been put up to me for this discrimination—and I ask him to be a friend of the farmers of the maritime provinces.

Mr. GARDINER: I can scarcely let the suggestion go by that we have subsidized the farmers of western Canada to reduce production, because all one has to do is to look at the records to find that if that was the objective, we certainly have failed. Production in every line in western Canada has been very much increased, more particularly in the lines which we subsidized in order to get that increased production. On the other hand, dealing with the question which is now brought before the committee, I would again submit that it is impossible for me to place before the committee the proper answers to the questions which are being asked.

Mr. HANSON (York-Sunbury): I accept that.

Mr. GARDINER: All I can say is that farmers right across Canada, in the maritimes and everywhere else, since price controls have come in, through the assistance we give, in addition to the price controls, by paying freight, are getting their fertilizers at approximately two dollars per ton less than they had to pay before we did anything about it.

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

Mr. GARDINER: The subvention has to do with the freights on shipping from the places where the fertilizer is made to the places where it is going to be utilized. It works out at approximately two dollars per ton.

Mr. ROY: I wish to refer to a matter in connection with the subsidy. The subsidy which was paid by the government last year to farmers on their purchases of fertilizers has been abolished, and replaced by the freight assistance provided for under order in council P.C. 89868. This change of policy has resulted in quite a heavy loss to the farmers, of which I will give the committee a few examples.

On a carload amounting to some forty-one tons which was shipped from Quebec to Mr. Emile Frenette, of Portneuf, Quebec, the subsidy last year would have provided, on 23,000 pounds of superphosphate, twenty per cent of the amount, or $34.50; on 46,000 pounds of mixtures 2 x 12 x 4, it would have brought $69; on 10,000 pounds of mixtures 4 x 12 x 6 it would have brought $19.50; and on 2,500 pounds of mixtures 3 x 18 x 0, $4.50; a total of $127.50. All that the freight assistance has brought to Mr. Emile Frenette under the scheme actually in operation is $12.13.

I have another case: some forty-eight tons of fertilizers bought by Mr. Armand Gamache, of Iberville, Quebec. Actual freight assistance brought him $9.60 and last year the subsidy would have given $154.10. That means a loss of $144.50. These two examples should be enough to prove that the farmers are receiving a good deal less than they did last year with the subsidy as formerly paid. At this time when the country needs to encourage farm production and when the government has given the farmers to understand that they will receive more help than ever, it is hard to understand the policy that has actuated the government in the rescission of the subsidy of last year. Can the minister tell us why the change has been made?

Mr. GARDINER: The question is why the change from the policy of paying the farmers a subsidy on fertilizer, the policy which was followed last year, to that of paying so much on the freight, has been brought about. The answer is that a year ago, and earlier than that, we undertook to encourage the greater use of fertilizers, and through that policy, and the tendency of farmers when they obtain higher prices for their products to use more fertilizer, we finally came to the point where all the fertilizer we had was being utilized, and there was no point in trying to encourage the still greater use of it. In other words, all the fertilizer we had was being made use of by the farmers. The policy was therefore changed so that instead of trying to encourage the use of more fertilizer we endeavoured to equalize the cost of fertilizer to farmers. The result is that we now pay assistance on freight, so that the farther away the person is from the plant, and the more the commodity cost before, the higher the subsidy paid. One can take letters such as the hon. gentleman has just referred to and find that a person living close to a plant is paying more this year than last year, but he is probably not paying as much as someone who lives a considerable distance from the plant. If you went to the end of the road and took the quotations from that location you would probably find that there was as much difference in the opposite direction. The intention is to assist the

farmers throughout the country in getting fertilizer at a more nearly equalized price, whether they live close to the plant or at a distance from it. That is the objective, and that is the reason for the change.

Mr. ROY: Looking at the figures, it seems to me that last year the government paid to the farmers under the subsidy over $1,000,000. Does the minister expect to pay to the farmers throughout Canada as much this year under the new scheme of assistance as was paid a year ago?

Mr. GARDINER: It will probably work out at about three-quarters of a million this year instead of a million—about three-quarters of the total amount.

Mr. ROY: So that the farmers are receiving less.

Mr. GARDINER: Some are, and others more.

Mr. ROY: I am speaking of the farmers as a whole. Was the change in the policy from a subsidy to freight assistance suggested to the agricultural supplies board by the fertilizers advisory committee?

Mr. GARDINER: It came from the fertilizer administration after discussion with all the provincial governments. It came to the supplies board and from that board to the department.

Mr. ROY: What is the personnel of the fertilizers advisory committee? Who is the chairman?

Mr. GARDINER: The chairman is Mr. Peart. He is an official of the department.

Mr. ROY: And who is the vice-chairman? While the minister is looking up the information I will supplement the question. I do not know if my information was wrong because I was told that the chairman of the fertilizers advisory committee was Mr. Grubb. He is general manager of C.I.L., Montreal. The vice-chairman, I understand, is Mr. A. Mooney, general sales manager of Canada Packers Limited. I am told also that one of the members for Quebec is Mr. Thomas Pope, general manager of International Fertilizers Limited. Is there any representative of the cooperative federation of Quebec, which handles about seventy-five per cent of all the fertilizers used by the farmers in that province? Is there also on the committee a representative of any of the farm organizations of Ontario or of the maritime provinces?

Mr. GARDINER: Again I am afraid the hon. member is discussing another committee which comes under the prices board. The names he refers to are those of members of the advisory committee which is working with the prices board in connection with the prices of fertilizers. The controller of whom I am speaking is an official of our department having to do with the other matters to which we referred a moment ago.

Mr. COLDWELL: Is the price practically set by a committee of manufacturers who advise the board? However, that is not what I rose to ask the minister. To-day fertilizer is being used in the west as well as elsewhere and from time to time farmers have told me that it has been very useful, while on other occasions they have said that they do not see any material benefit from it. Is there any organization to which the farmers in the various provinces could apply and get advice as to the fertilizer they should use, the type of fertilizer and the quantity per acre, as it is with us, or on some other basis as in the fruit growing area? Have we such an organization to which farmers can apply?

Mr. GARDINER: For the information of the hon. member for Gaspe (Mr. Roy), may I say that the chairman of the fertilizer board is Mr. G. S. Peart; the secretary is Mr. A. M. W. Carter. These are two members of the board that I am speaking of when I refer to the activities in our department. The other question was to the effect that there are different results obtained from the utilization of fertilizer at different times.

The utilization of the same fertilizer may not give the same results at different times or on different lands. Of course there are two reasons for that. First, my understanding is that the commercial fertilizer shipped down from Trail to western Canada operates best under certain weather conditions. That is, if you have a dry season your results are different from what they will be if you have a fair amount of moisture. Then, there are different conditions all across Canada. The activities in the different provinces are different; that is, they require a different kind of fertilizer for potato crops in New Brunswick from what is required for grain crops in the west, and for that very reason it is best that those boards should be provincial boards, and they are provincial boards. The fertilizer boards that advise on matters such as those which have been referred to by the hon. member for Rosetown-Biggar are boards set up in each of the provinces. They do advise farmers as to what fertilizer to use and how to utilize the fertilizer that they are using. Application for information in that regard should be made to the Department of Agriculture in the province.

Mr. COLDWELL: The reason I asked the question is that I have been told it is impossible for small organizations in the province to do this job to the extent that may be required. I quite understand that fertilizer will give a different result in one year from that of another year. What I had in mind was this: extensive soil surveys have been made in Saskatchewan. It seems to me if that were known the farmer, instead of listening to some salesman's advice with regard to fertilizer, could get advice from the soil surveys branch. I have been asked on occasion by farmers where they could get some information regarding their land. I have told them to write to the soil survey branch of the university of Saskatchewan. I am not sure whether that is widely known or whether the university branch is sufficiently staffed and equipped. My observation is that while the university has done a very good job on soil surveys, it has an inadequate staff and therefore cannot do the detail work that is required to give the kind of information I have in mind.

Mr. GARDINER: I think it will be found that the advice given is not exactly the advice that should have been given in that particular case. This is what the soil survey organization does, and we give some assistance to the universities in connection with that. They examine into the nature of the soil, and they can give the farmer information as to what the soil is lacking. They can at least give him information as to the nature of the soil. The proper authority to whom to apply for information as how to utilize fertilizer in order to build up the soil on that particular land is the provincial fertilizer board. They are presumed to have the information which the farmer will require in that regard, and it is to them that the farmer should write for advice.

Mr. WRIGHT: Could the minister give us the names of the boards in Saskatchewan?

Mr. GARDINER: The chairman is Mr. Auld, the deputy minister. I think the deputy minister in each province is the chairman of the fertilizer boards. Each has a certain staff of advisers who work under him.

Mr. McNEVIN: Were the differentials in prices referred to by the hon. members for York-Sunbury and Cumberland in effect from 1930 to 1935?

Mr. GARDINER: I am sorry; my information does not go back that far. I should be pleased to give it if I had it.

Mr. SENN: Under what conditions is the freight assistance plan being carried on at the present time? If my information is correct it is based on the freight rate from the nearest fertilizer plant to the farmer's nearest station. I have been given to understand also that the maximum amount which the farmer can receive is about one dollar a ton. Will the minister give the committee an outline of the plan and what amount can be realized by farmers who are purchasing fertilizer?

Mr. GARDINER: I do not know whether the hon. member has been in the committee since the discussion started, but I thought I gave a sort of outline of it a few moments ago. I was probably wrong in saying that the freight is always paid from the manufacturing plant. That is not necessarily so, because it is paid from the mixing plant, which may not be the place at which the different ingredients that enter into the production of fertilizer are produced. For example, I think that some of the fertilizer manufactured at Trail is shipped down to Vancouver and the mixing takes place at Vancouver. The different ingredients are assembled there and the freight is paid from there out, which has an effect on the freight rate that is paid in the different communities. I am informed that mixing takes place at New Westminster too.

Mr. SENN: Did I understand the minister to say that a subsidy or subvention is paid from where the stuff is originally produced to the mixing plant? I did not understand that. I do not think that is so.

Mr. GARDINER: There is no premium, assistance or subsidy paid where the freight is a dollar or under. Up to three dollars is paid above that one dollar figure.

Mr. SENN: Then three dollars are paid?

Mr. GARDINER: Yes; that is the plan under which payment is made.

Mr. BLACK (Cumberland): Does the assistance apply to fertilizer used in the cultivation of potatoes? I understand that it did not apply last year. Is that still the situation, and if so, what is the justification for not applying it to fertilizer used in the growing of potatoes? That is one of the main crops in Prince Edward Island, New Brunswick and parts of Nova Scotia. It is one of the most necessary and staple food products. The feeling among potato producers is that they should get the benefit of any subsidies or payments on fertilizer used in the raising of their crops.

Mr. GARDINER: The subsidy paid to the farmer has been paid over a period of about a year and a half. During that period it was part of the policy followed by the government to encourage the production of feed grain, and it applied only to feed grain crops. But since

the policy has been adopted of paying freight on fertilizer it applies to all crops on which fertilizer is used. It applies to potatoes as well as grain. There is no discrimination now as between the two.

Mr. BLACK (Cumberland): When did that come into effect?

Mr. GARDINER: My recollection is that the date of the order is January 3, 1944. I understand it applies from January 1 of this year.

Mr. BLACK (Cumberland): It did not apply last year?

Mr. GARDINER: No.

Mr. SENN: Just one more question. Did I understand the minister to say that this freight assistance applies in cases where the fertilizer is hauled by truck rather than by rail? In a great many places in Ontario and the central provinces fertilizer is shipped by truck rather than by rail. Does the assistance apply in both cases?

Mr. GARDINER: It does apply to trucking, but it is based on the rail cost, that is, if the trucker is travelling over a certain route which can be reached by rail it does not apply until he gets out to the dollar point, and from there on it applies in the same way as it would on the railway.

Item agreed to.

Seeds administrator—administration, $19,100.

Mr. SENN: Before this item carries I should like to discuss the matter of seeds. I am not sure whether it might not better come under another item farther down under the special products board, seed export office. I have something I want to say in regard to—

Mr. GARDINER: It would come under the special products board.

Item agreed to.

Meat board—administration, $71,300.

Mr. BLACKMORE: I should like to discuss the question of beef. I said yesterday that I believed the government had bungled the whole question of beef production in southern Alberta. Whether or not I was wrong in my judgment I think will depend upon the answers that may be given to a number of questions. I find a great deal of confusion in the minds of the people regarding beef matters; therefore I should like to ask the minister a number of questions and give him time in which to look up the answers, so that he may place them upon *Hansard*. Then we will be able to study them and enlighten ourselves, and determine whether or not we have been wrong in our judgment.

The first question I wish to ask is this. Is it a fact that in August, 1942, the beef producers of Alberta waived the right to export beef to the United States? Did the beef producers surrender this right to the wartime food corporation, which means, was it understood that the wartime food corporation was to export beef to the United States? In return for the waiving of the right to export beef to the United States, did the Canadian government agree to review production costs from time to time, and wherever justified to adjust the selling prices of beef? How many times since August, 1942, has the cost of production of beef been officially reviewed by the government? By what agency was the review conducted, and on what dates? Was a report made on each occasion? If so, to whom was it made? Did the agency or board or committee to which each report was made have authority to adjust the selling prices of beef? Before giving the other questions I may add that there is an impression abroad among the people in my constituency that the government has organized a set-up in which it is able to give the run-around to anyone whatever who asks for information regarding the production of beef, so that it is quite impossible to find the truth from anybody.

Now I wish to go on with the questions. If the agency did not have authority, did the agency receiving the reports pass on such reports to the agency that did possess the power or authority to adjust selling prices upward? Was the report accompanied by a recommendation for an upward adjustment? If not, why not; and if so, was an adjustment made? If so, by how much, and how many times? If no upward adjustment was made, why not? Again, in return for waiving the right to export beef to the United States, were beef producers promised by the government—

The CHAIRMAN: Order. If I may be allowed, we are discussing dairy products now, and I wonder if a discussion of beef would be in order at the moment.

Mr. GARDINER: No, we are discussing the meat board.

Mr. BLACKMORE: This is the item covering the meat board, Mr. Chairman; this is the point at which I expected the beef discussion to be carried on. In return for waiving the right to export beef to the United States were the beef producers promised by

the government that in case the price of beef fell below a certain level, live cattle would be purchased by a government agency? If so, how many grades and what grades of beef did the agreement cover? What government agency was given the authority and responsibility to buy such beef? At what price was the purchase to take place? On what dates did prices descend to that level? On what date was beef purchased, by whom; at what price; how much beef on each occasion; what grades of beef; how much of each grade, and on how many occasions did beef prices dip to or below the point at which purchases should have been made by the government in accordance with the agreement? In return for waiving the right to export beef, were the beef producers promised by the government that the government would protect the position of the beef industry in the United States market, by selling Canadian surplus beef? If so, how much beef was sold in the United States by the Canadian government between August 31, 1942, and March 1, 1944; what grades; how many of each grade; on what dates; and what agency made the sales? From whom or what agency did that agency purchase the beef? At what price? And at what price did it sell the beef to the United States? Did the government agency at any time purchase any red or blue brand beef in Canada between August 31, 1942, and March 20, 1944? What federal government agency has authority to implement the resumption of exports of live stock to the United States?

Before going on with these questions, of which I have several more, I want to say that it did not seem to matter a bit whom you asked in the government for details as to the position with regard to beef. No one seemed to know; and always the people who had the authority were the people whom you were not asking. In other words no one could do anything, nor could you find out who had authority to do anything, or who had the responsibility. These questions are designed to elicit the facts in regard to these matters.

Now I resume my questions. What federal government agency has power over beef marketing machinery? Is it the meat board? If so, why did the meat board neglect to buy for weeks, until beef feeders began to lose heavily and prices came down? From all I can gather the whole marketing situation with respect to beef simply deteriorated and almost collapsed in my constituency this year; and considering what the government had promised and what the farmers had a right to expect, the situation was reprehensible.

The next question is: Is the meat board the policy-making body in respect to beef? If not, what body is? Again is it true that in February, 1943, packers were scouring southern Alberta for fat ewes, and offering unheard-of prices? Is it true that in the same area during the corresponding period of 1944 fat ewes were not salable? Why should conditions like that exist in a supposedly controlled market? The beef and mutton producers in my constituency had the impression that when government control went into effect it meant government control, not a slipshod, half-hearted control that did not control anybody but the producers. Did not the minister say some time in February that we could not send live stock to the United States and sell them to better advantage than in Canada? I believe he did, but I want to know whether or not he actually did make that statement.

Then I come to this question: Have we reached the point where if boats are late or other transportation facilities are held up or congested, it is necessary to hold live stock in feed lots? I may say in commenting on that question that if feeders of cattle ever imagined that their ability to sell their cattle depended upon the possibility of ships being available, surely they would never have taken the risk of the terrible losses into which they could be forced. If such is the case, then do you not think weight restrictions should be modified to prevent loss to the feeders? And do you not think that in the light of increased cost, the ceiling should either be raised, or cattle and lambs should be subsidized, in the light of the precedent with respect to hogs?

Is it a recognized principle of the government live stock agencies that spreads are necessary in the winter feeding of live stock? If so, would it be your opinion that one and a half cents to two cents would be a reasonable spread, under present conditions? Do you not think steps should be taken to encourage the maintenance of live stock production at its peak, as a vital contribution to the nutrition of Canada and her allies, and to develop a reservoir of meat products and breeding stock for the post-war years?

Again, what was the price below which it was agreed fat cows were not to be allowed to fall during January and February, 1944? And is it true that fat cow prices in southern Alberta during January and February, 1944, ranged between $6.50 and $7.50 per hundredweight? Is this figure not definitely below the price agreed upon? Was the price of fat cows during January and February and early March of 1944 considerably below the price for fat cows during the corresponding months of 1943? When these cows came off the grass in September, 1943, was the price at least eight and a half cents a pound?

May I speak briefly in connection with that question? Yesterday the minister read a list of prices of beef at certain times in the year, in each of the years from the beginning of the war until now. I suggested that he give at the same time the cost of those beeves when they entered the feed lots the previous fall. The minister indicated that he would give such a list, but I think he must have overlooked doing it.

Mr. GARDINER: I am just coming to it.

Mr. BLACKMORE: That is fine. I do not wish to be unfair to the minister, and I am sure that he does not wish to be unfair to the beef producers. But it is obvious that if the farmers have to pay eight and a half cents a pound for fat cows coming off the grass, and then have to feed them during the winter, into February or March, and sell them at six and a half to seven and a half cents, the stage is all set for calamity, so far as feeders of fat cows are concerned.

Was it for some time almost impossible in Alberta for feeders of fat cows to get bids on their fat cows? Whose duty and responsibility was it to buy fat cows for the government to keep up the price of cows? Had that body the authority to buy?

Then, with respect to heavy steers, our troubles in my area were aggravated this year. Here are some of the questions on this point: Did the Minister of Agriculture announce he wished stockmen to keep their steers a year to grow into heavy beef? Was it difficult to sell heavy steers in southern Alberta in January and February, 1944? The answer to each of these questions, according to my information, is yes. If that is so, then obviously the minister's administration went to pieces with respect to fat steers, and the producers were simply betrayed.

Now, with respect to handyweight steers, through the latter part of February and early in March, 1944, was there a period during which buyers evinced very little interest in handyweight steers? And were the causes of this stalemate the lack of ships and of storage space? I expect that those questions would be answered yes. Then I wish to ask this question: Notwithstanding that, were steers bought when prices came down low enough to be highly lucrative to buyers, and was the market situation for meat, both beef and mutton, serious in southern Alberta around March 15?

It is reported to me that the minister in a letter dated February 15, 1944, written to the president of the council of western beef producers, used these words:

> At the time this was done (when the United States market was closed) I stated publicly that just as soon as farmers had cattle to deliver to that market, and the Americans were prepared to take them, I would be prepared to back farmers in insisting that that market be opened.

Did the minister use those words? Has he at any time backed the farmers in insisting that the United States market be opened? If so, on what occasion; if not, why not? The answer may be that the United States did not want this. I wonder what evidence can be adduced from various places in the United States to show that they did not want them. The information I have is that there are places in the United States where they were sold out of beef, and were much at a loss to know what to do to get it.

Did the deputy coordinator of primary products, wartime prices and trade board, assure lamb feeders during the 1943-44 season that supporting purchases of meat had been authorized and made at levels comparable with floor prices for carcasses, namely one and a quarter cents below the ceiling price? This is a very important point. Were such purchases made? Did the price of live lambs advance, as a reflection of these purchases? If the answer to those questions happens to be of the right kind, then they write a sad story.

Has the Department of Agriculture or any agency of that department at any time announced to the public what prices of live lambs and cattle ought to be? If not, why not? Otherwise, what protection can feeders or growers of lambs, calves and feeder cattle have?

May I just comment upon that for a moment or two. In the fall, when it comes time to fill feed lots, prospective feeders naturally go to the various markets with the object of buying stock. They begin to bid, and sometimes prices are bid up to a considerable height. In that way some people are tempted to buy at prices which are rather too high. But when prospective buyers do not know what the prices are to be, and have no definite idea what the prices of the finished products will be, or indeed whether they will be able to sell the finished products, they are utterly helpless in the matter of using their judgment as to what prices they should pay, and how many stock to buy to put into the feeding lots.

If the minister will prepare careful answers for all those questions he will then pave the way for a more intimate discussion on this whole matter at a later time which, I promise him, I shall be glad to enter into.

Mr. GARDINER: Mr. Chairman, if I were to prepare detailed answers to the questions which have been asked by the hon. member, I would have to ask the hon. member either

to put his questions on the order paper or to submit them to me in detail in order that I might have such detailed answers prepared. However, I think there is a simpler way of answering the questions than by following his suggestion that the answer to all his questions would be yes.

Mr. BLACKMORE: I did not say that.

Mr. GARDINER: My hon. friend said a minute ago that in his opinion the answer to those questions would be yes.

Mr. BLACKMORE: But I was referring to only three of them.

Mr. GARDINER: He indicated that if the answer were yes it would show that there had been some—

Mr. BLACKMORE: Gross irregularities.

Mr. GARDINER: Yes, gross irregularities, or something even stronger than that, in connection with the policy itself.

In my view the best way to answer a suggestion of that kind is to outline what the situation has been with regard to cattle and the marketing of cattle in Canada, not only for the period of years to which the hon. member refers, but for a considerably longer period.

This takes me back to the fact that in 1936, I believe it was, there was brought into effect an agreement between Canada and the United States respecting duties to be paid on cattle passing from Canada to that country. The effect of that agreement was that whereas the duty on live cattle weighing over 700 pounds had prior to the time of the agreement been three cents a pound, the Americans undertook to reduce the duty to 1½ cents a pound until approximately 193,000 head of cattle of beef quality had been imported into the United States. During the first year of the existence of that arrangement some difficulties developed because the farmers rushed all their cattle into the United States in the early months of the year, and thus there was quite a supply of cattle on the United States market. Later, farmers in Canada, particularly in Alberta, where they market their cattle in the fall of the year, experienced some difficulty in marketing their cattle coming on the market in the fall, and so it was decided to divide the year into four quarters. An agreement was accordingly entered into with the United States whereby some 51,000 head of cattle would be allowed under quota in the first three quarters, with a smaller quota for the last quarter until the 193,000 head had been shipped into the United States. That agreement continued down until June of 1942. After the price control policies to which the hon. member for Lethbridge referred were brought into existence, the record from March, 1942, is pretty much as follows—and again I say that much of this record has to do with the activities of the prices board, some of it with the activities of the Department of Agriculture. The chronological sequence of events in connection with that policy from March 23 down to the present is pretty much as follows.

On March 23, 1942, the wartime prices and trade board, by order 109, established general principles of a wholesale ceiling price for beef, cattle and pork as follows:

> No packer or wholesaler shall sell at a price that is higher than the highest price charged in the basic period by the same packer or wholesaler to the same buyer for the same kind, brand, quality and/or cut of meat or meat products.

That was a general statement of the policy which was put into effect by the prices board on March 23, 1942. It simply meant that any wholesaler who was selling meat to retailers had to sell it at the price at which he was selling it in the basic period, which was during part of the month of September and part of the month of October of 1941. That order was revoked on June 1, 1942, by order 134. On June 25, 1942, order 151 of the wartime prices and trade board authorized the wartime food corporation, which is an organization under the prices board, and not under the Department of Agriculture, to issue licences to beef cattle exporters, requiring exporters to obtain authorization for each shipment. That is the order to which the hon. member for Lethbridge refers when he speaks of the first action taken to restrict or control the shipment of beef into the United States.

As I stated a moment ago the original arrangement was that in any quarter we could send into the United States up to some 51,000 head of cattle over 700 pounds in weight. During the early part of 1942 we sent in the full 51,000 head a few weeks before the end of the period. Then, immediately after April 1, 1942, cattle were shipped into the United States to a total, speaking from memory, of about 10,000 a week until the total number of 51,000 had been shipped into the United States. That was around June 1, 1942, when the wartime prices and trade board took action in accordance with the order I have just read, which required anyone shipping cattle into the United States to get a permit to do so.

At the same time, I think, the wartime food corporation was set up, which was the only body licensed to ship cattle into the United States, the corporation set out to purchase cattle to be shipped into the United

States. The hon. member for Lethbridge asks me how many cattle were shipped into the United States, but as this operation was not performed by an organization under this department, I have not the numbers with me. The fact remains that that policy was found to be one which very rapidly brought about a situation where the purchasers for the corporation were about the only persons who would be on the market to buy cattle, the reason being that they could buy cattle at a higher level than this particular market provided for, and most people naturally wanted to sell at the highest price. The consequence was that the corporation found itself in the position where they were buying the cattle and then turning them on to this market to the extent of its needs, and if they had a surplus it was to be shipped to the United States. My memory is that there was no surplus to ship to the United States, that cattle were not shipped to the United States by the corporation but were purchased for consumption in Canada.

That brings us to the point of realizing that we had reached the period in Canada when we were consuming all the beef that we produced. That was about the middle of 1942. There were certain reasons for that condition developing. As I stated a few moments ago, we had entered into an arrangement with the United States in 1936, which was renewed later, to the effect that we were permitted to ship 193,000 head of cattle into the United States. We also shipped calves and breeding stock into the United States. We were shipping upwards of 300,000 head of cattle into the United States in certain years, prior to the experience of which I am speaking, and during that time we were sending to Britain two or three thousand head of cattle in one year and up to some 40,000 in another year. They were shipped live weight to Britain, but practically all the live weight cattle that we had to ship anywhere went to the United States.

After the declaration of war we undertook to supply Britain with bacon and ham, and yesterday I gave the amounts we have supplied. At this point I should say that I had intended at the beginning of the discussion this afternoon to correct a statement I made last night with regard to the negotiation of a contract with Britain for the marketing of hogs for the next four years. I was under the impression when I came into the house last night that those negotiations had been completed and that we had now a definite programme for four years. But on going into the matter this morning I find that the negotiations are not completed with regard to the last two years. The negotiations are completed with regard to the first two years, and there is an undertaking by Britain to take from us at least 500,000,000 pounds of bacon and ham and pork products in each of the years 1944 and 1945 and any additional amount which they require and we are in a position to ship. That is final both with regard to quantities and with regard to price.

Mr. SENN: I understood that that agreement had been in force for some length of time. Has it not?

Mr. GARDINER: No. The agreement has not been in force on that basis for some time. It was in force on the basis of a two-year contract, with at least 900,000,000 pounds to be delivered within the two years. The new understanding which is reached is that the minimum figure for the two years for 1944 and 1945 will be 500,000,000 pounds and that the price will remain the same as the price which was negotiated for 1944. But the present position is that we have not completed the negotiations with regard to quantity and price for the years 1946 and 1947. The British are prepared to enter into a contract with us and we are prepared to enter into a contract with them, but, as I have stated, the negotiations are not at the moment concluded. I wanted to make that correction.

But what I wish to refer to at the moment is that in 1939, after war was declared, we undertook to supply all the bacon and ham that we possibly could to the British market. This we did for two reasons: first, that the British needed it, for they had been cut off from other supplies and later on were cut off from further sources of supply; second, that before this war began we had never had the opportunity, or had never taken advantage of any opportunities we did have, to prove to the British that we could completely supply from Canada, if necessary, their requirements in bacon and ham. With these ideas in mind we entered into a contract for the outside figure that we could obtain from our farmers in Canada in any particular year. In 1940 and 1941 we restricted the amount of pork products to go on the Canadian market in order to make possible the greatest quantity to be shipped to the British market. That policy was continued through 1942, and indeed the restriction of supplies of pork on the Canadian market was increased during that year; in other words we took more off this market and put more into the British market. The natural result was that through 1940, 1941 and 1942 there was a gradual increase in the consumption of beef in this country. There was no decrease in production—as I could indicate by figures—and no decrease in the slaughtering of beef for marketing purposes in Canada during that period of time,

the increase in beef consumption being largely accounted for by the considerable restriction of consumption of pork products.

By January or February of 1942 we were not able to supply all the beef which was demanded by the markets at Toronto, Montreal, Winnipeg, and Vancouver. In all the important sections of Canada there was a shortage of beef in the butcher shops. The wartime prices and trade board being entrusted with the task of securing beef for the Canadian people, for those who were training in the armed forces in Canada, whether the air force or any other, some of whom came from other countries, undertook to control the marketing of beef into the United States for the purpose of seeing to it that sufficient beef was on this market to supply its requirements. So that when in June, 1942, they found it necessary to restrict shipments into the United States, or at least to issue permits to their own corporation to secure beef which possibly might be shipped into the United States, it became necessary to turn practically all if not all of that beef back on to the Canadian market at the United States price. That is the reason for what happened, and it grew out of a situation which developed in connection with the production of meat fed to the British, to our other allies, to the armed forces in this country and to our own people. That policy continued until 1943.

I should here answer, perhaps, one of the questions asked with regard to 1942. The hon. member for Lethbridge asked whether, during the fall of 1942 or the spring of 1943, when actions were being taken with regard to beef, I had made any statements regarding the shipment of cattle into the United States. He also raised certain questions as to the discussions which took place between the farmers and ranchers of Alberta and any authorities in Ottawa with respect to price control and its relationship to the marketing of cattle in the United States.

This matter did not take place under any actions started by the Department of Agriculture, but rather as a result of negotiations carried on by representatives of the prices board. My understanding, however, is that meetings were held in Alberta, and so far as I can remember the federal Department of Agriculture was not represented there. Those represented at the meetings were the producers of Alberta, plus representatives of the advisory committee of the prices board on meat, and the members of that advisory committee from Alberta were: Mr. Ross, who is an Alberta rancher; Mr. Taggart, who is a farmer at Olds; and, I think, at that time Mr. Grisdale, though perhaps he was an official of the board itself. All these men were Albertans, and, I assume, have a knowledge of cattle raising and ranching activities in that province. Discussions were held at public meetings and certain resolutions passed, and some of those resolutions were on the line of the suggestions made a few moments ago by the hon. member for Lethbridge. One was to the effect that they believed that, under all the circumstances, the United States market should be made subject to permits issued by some government authority. I think they also recommended that a corporation should be set up which would purchase cattle up to the United States price, and certain discussions took place with regard to that particular matter. I am quite sure that nothing of the nature of the undertakings suggested in the questions asked by the hon. member for Lethbridge ever took place. I mean by that I do not believe any agreements were reached between the producers and the board.

Mr. BLACKMORE: I think the minister had better reassure himself.

Mr. GARDINER: I have had quite a bit of discussion with regard to it, and I state that with fairly good assurance.

Mr. BLACKMORE: We have a mighty good memory of these things.

Mr. GARDINER: I have had serious difficulty even in finding the resolutions which were passed, perhaps because some people are not very proud of them.

Mr. BLACKMORE: It will not take me very long to find them for the minister.

Mr. GARDINER: But these resolutions were passed, and certain actions were taken by the prices board, based largely on the suggestions made at that time. I do not think any assurances were given as to what would happen under certain circumstances; I believe there were discussions as to what might happen under certain circumstances, but I can say with assurance what I myself said, and what the hon. member has asked me to repeat on this occasion. I did state at that time what was read from a letter which, I think, was written to Mr. Ross, a rancher in Alberta and the gentleman to whom I referred a few moments ago as being a member of the committee who gave that advice. I wrote him to remind him of the fact that there were discussions at that time, and in doing so I also recalled a statement which I made at a public meeting, I believe in Brandon, Manitoba, during the time the discussions were going on, something to this effect, that when the time came that we had a surplus in Canada which was not required for the feeding of our allies, particularly the British, and the Americans

desired to have any surpluses which we in Canada had, I would be a supporter of the farmers and everyone else, I assume, in Canada in asking that the United States market be opened up. That, I think, to all intents and purposes is the meaning of the statement read to the house a few moments ago. In order to determine whether or not that time has been reached, we should pursue the story as to what has happened in connection with beef. The suggestion was made that I had advised the farmers at that particular time to hold their cattle for heavier weight, and again I say I gave that advice to the farmers then.

Mr. BLACKMORE: They took it.

Mr. GARDINER: And they were quite satisfied in taking it. They were wise in taking it.

Mr. BLACKMORE: They surely paid for it.

Mr. GARDINER: They made money by taking it.

Mr. BLACKMORE: They lost money.

Mr. GARDINER: I will show in a few moments that they made money. Now, why was that advice given? The advice was given in the fall of 1942 because it had been demonstrated to the satisfaction of everyone that all the beef we had in Canada in the summer of 1942 was needed on this market. That was demonstrated right through until the fall of the year. I recall that the member for Lethbridge got up in the house following the fall of 1942 and made a statement. I have not forgotten what he said; I have always remembered it, because I intended to reply to it some day. He got up following the fall of 1942 and criticized me as Minister of Agriculture. He criticized the Department of Agriculture and criticized the government because commercial feeders in Alberta and elsewhere were not able to buy cattle at as low a price in the fall of 1942 in relation to earlier prices as they had been for twenty years previously. Well, that means only one thing. It means that since less than ten per cent of the beef produced in Canada is produced in feeder lots, ninety per cent of the farmers in the country ought to have been prepared in the fall of 1942 to take at least one and a half cents less—and provision was made at the time for two cents less on beef—in the fall of 1942 for their cattle in order that somebody might be able to make a profit on them in the spring of 1943.

Mr. BLACKMORE: Was not a subsidy possible?

[Mr. Gardiner.]

Mr. GARDINER: I have no hesitation in saying that I did object to that policy. I did advise the farmers to feed their own cattle instead of selling them at one and a half cents to two cents less in September or October. I advised them to utilize the great crops of grain we had produced in Canada in order to feed their own cattle through the winter, and by so doing at least double the selling price which they were allowed to make on their grain if they sold it to other farmers to feed cattle elsewhere, or to commercial feeders. In other words, it is obvious to anyone that if a man has cattle on his farm which sell at nine cents a pound in the fall, if he has oats on his farm pegged at 51 cents a bushel, barley pegged at 64 cents a bushel, wheat pegged at 90 cents a bushel, and if he puts those cattle into his own stalls and feeds them through to the spring, putting from 200 to 300 pounds on each of them, and if he gets two cents a pound more for them in the spring than he would have got in the fall, he will make at least $1.25 on his oats, $1.70 on his barley, and a considerably higher price on his wheat. And so I said to the farmers, "Keep your cattle in your own barn. Feed them your own oats, your own barley, your own wheat. Instead of giving them to the commercial feeders in Alberta or anywhere else in Canada, feed them yourself, finish them, and then you will sell your grain to better advantage in the spring than you would have been able to do if you had sold the cattle and the grain as well."

My hon. friend says that the farmers took my advice. I now answer his question as to whether or not by doing so they made a profit by simply referring him to the facts that I have stated. Ninety per cent of the farmers made a profit by doing it. Ninety per cent of the cattle fed by the farmers brought greater profits to the farming industry by following that policy than the farmers would have received by selling the cattle at nine cents per pound in the fall of 1942 to some person who would feed them over the winter with the farmer's own grain, which the farmers sold to them, and in the spring of the year sell the cattle on the market at eleven cents a pound. I advised against that policy. The farmers, therefore, did not deliver as many cattle in the fall of 1942. They did hold their cattle through to the spring of 1943, and when my hon. friend asks who paid the bills, I refer him right back to the criticisms he made a few moments ago. He attempted to indicate to the house committee, and as a matter of fact it is true to the extent of one cent or two cents, or four or five cents a hundred, and for as high as sixty-five cents a hundred at one

time, that the farmers in the spring of 1944 were getting less for their cattle than in the spring of 1943. They did get slightly less, and the reason was that the farmers, in taking the advice given by the Department of Agriculture in the fall of 1942, benefited by following that advice through into the spring of 1943 and delivering their cattle when a higher ceiling was provided for on those cattle.

The ceiling established during the fall of 1942 was one that reached 18¾ cents per pound on sides of beef on April 27, 1943. It dropped by three-quarters of a cent on two dates later, and finally by one-half of a cent to place the lowest level. From September 20 to December 18 it was at two cents below the highest point in the ceiling, and from December 19 to February 6 it was at three-quarters of a cent higher. From February 7 to March 19 it was one-half of a cent higher, and on March 20, 1943, it raised another three-quarters of a cent, while on April 24 it was again back to the high point of 18¾ cents.

The fall ceiling price was two cents on beef below the highest point in that ceiling, which was between May 27 and August 14. I submit that under that arranged ceiling farmers would require to go into the market in the fall and sell their cattle at a lower price, because the price of the commodity was down at that period. Because the price of the commodity was down at that period of time the purchasers bought the cattle low and fed them into the higher period to be sold in the spring of the year.

In May of 1943, yielding to representations which were made by the Department of Agriculture, the prices board established a new ceiling, and that ceiling was made a flat ceiling. It was put at a quarter of a cent above the highest position in the previous ceiling throughout the whole year. In other words, there was a higher ceiling for 1943-44 than there was for 1942-43. That ceiling was a quarter of a cent higher than the highest point in the old ceiling. But there was established at that time by the prices board a varying floor, and that varying floor was made exactly the same as the ceiling which had been asked for by the Alberta representatives in the fall of 1942. In other words, right down to the present time the lowest price at which cattle were presumed to be sold was established through the setting of a floor price on beef, which was equal to the ceiling price established in the fall of 1942; and the higher ceiling was established throughout the year on representations made by the Department of Agriculture at that time.

We have operated under that latter policy during the year and down to the present. Certain difficulties have arisen, and some of them were referred to a few moments ago by the hon. member for Lethbridge. He asked why we did not buy meat in the early part of the season of 1943.

Mr. BLACKMORE: 1944.

Mr. GARDINER: 1943 to begin with. We did buy meat through 1944.

Mr. BLACKMORE: I asked particularly about 1943.

Mr. GARDINER: I will deal with it in my own way and say this. In 1943, from May on, there was a standing offer from the meat board of the Department of Agriculture to buy beef from any of the packing plants or any of those who had it for sale for export. It is true that we did not buy any until late in the fall, and there is reason for that. When you establish a floor such as was established—and such by the way as is still insisted upon by the men who have been mentioned by the hon. member for Lethbridge—when you establish a floor which is 2¼ cents below the ceiling for the months of September and October and rises by three quarters of a cent at one time and half a cent at another—in other words, you step it up over the period of time until it gets back to within a quarter of a cent of the ceiling—in order to prevent the packing plants of this country from making a killing in buying cattle on a low level and selling them on a high level of price, you have to make a further regulation and say that if the packing house takes those cattle in at the bottom of the floor price he must, when he turns the surplus over to the government, sell that surplus to them on the same basis. Otherwise he would be buying his cattle at the low point of the floor, slaughtering them, putting them in cold storage and selling them to the government on the higher step. Therefore the regulation must say, and it does say, that at whatever level the packer bought the cattle and at whatever level the price was when he slaughtered the beef, he must of necessity turn the beef over to the government at that particular price.

That can result in only one thing, Mr. Chairman. It can only result in the packer doing what any other individual or member of this committee or a business man anywhere would do. He would say: There is no sense in my buying meat down on that lower step, putting it in my coolers and keeping it when there is no provision made for the carrying charges to take it up on the higher steps. What he actually did, and I submit any hon. member of this committee would have done the same thing, is this: he went out and

bought the beef that he required for the business that he was doing and sold the beef that he bought at the price of that level; and then when he got up to the next step he paid the price that was possible under that particular price level, and so on until he got up to the present level, which is at the top, when we are only a quarter of a cent below the ceiling.

It was during the period when we were going up those steps that we met difficulties. We would go to the packing plants and say, "We want to buy your surplus." They would say, "There is no surplus here," and we were not able to get it. After a time we had to enter into special negotiations in order to get certain types of beef from the plants under that plan; and I must say that each delegation that came down from Alberta—and there were two of them—sat in my office by the hour, as a result of which the letter which was quoted here a few moments ago was written. I tried to convince them that they ought to recommend that that policy be changed. Up to date, so far as I know, they have not made any such recommendation. They have still, in so far as their advice to the prices board is concerned, given the advice that that floor, the old ceiling which was established in 1943 as the new floor, should be maintained in order that they could buy cattle feeder lots down at the bottom of the price in September and October and sell it up at the top of the price in the spring of the year.

That brings me to the answer to the question which was asked last night and referred to again to-day. It was: What does the minister think the farmer needs if he is to buy cattle in the fall and carry them over till the spring in order to be able to market those cattle successfully? I am going to answer that question by saying that the policy that is supported by the advisers who come down from Alberta, the policy that was supported year after year in the fall during the years in which we had great surpluses of beef in September and October, was based on twenty years' experience before this war, when every year the ranchers from Alberta came in in the fall with their herds off the grass and placed them on the market in Winnipeg or Moose Jaw, or shipped them down to the market in the United States. So far as this side of the line is concerned when that great quantity of beef came on this market it glutted the market and the price of cattle for every farmer in Canada was forced down. They realized that as well as anyone else, and therefore they established the policy themselves in Alberta with the intention of righting the position to that extent. That policy was based on the idea that somebody should go out in September and October in Winnipeg or Moose Jaw or Calgary; that somebody should go on those markets, buy good butcher cattle, take them out and feed them until spring in order that there would be fewer cattle on the market in the fall and more beef on the market in the spring. Again I submit that that policy was logical and probably very helpful in time of peace. But what is the condition prevailing to-day? I have outlined the position through 1942 and the greater part of 1943, when we were eating all the beef that came on the market in every part of the year and when there was no difficulty in the marketing of it from day to day. But in the fall of 1943 the advice given to farmers in the fall of 1942 began to produce results, as did our hog policy also. We were taking such a rush of hogs on the markets of this country that we were unable to process them and take them over to Britain. Therefore we removed the restriction on the consumption of hogs in Canada, and said: "Go ahead and eat all the pork you like. There is so much of it to-day that we are not able to get it processed and shipped to Britain." The people of Canada proceeded to eat all the pork they wanted, but they ate less beef than they did before. Therefore our beef in time began to pile up on us, and we had to come out with the policy which is now followed. From the point of view of the consumer and many of the producers that worked all right during the period when you could not sell beef as fast as it came on the market at certain periods, but it did not work when the packer had to buy more than he wanted for his own business before he was in a position to sell any to the government; and the varying floor under which we were working made it difficult if not impossible for the government to get that meat.

To finish my story with regard to the feeding of those cattle, how did the commercial feeders make money by feeding cattle before the war? They took butcher cattle, which were then ready for slaughter, and fed them for a period. Those butcher cattle make very good eating and are very good beef; as a matter of fact most people like them at that stage rather than at the fatter stage, because there is not so much loss in connection with them, but there are people in Canada who like red label beef. About the only place I ever saw red label beef sold before the war was in railway dining cars, and they charged me $1.50 for a slice of the steak. It was sold also in some of the first-class hotels of this country, where they charged similar prices for it. The commercial feeders would take these good butcher

steers which were ready for the block in the fall, put them in their feed lots and feed them through into the spring of the year, by that method producing extra fat or extra well-finished beef, which is called red label beef from one end of Canada to the other and sold at higher prices. By that system, under the conditions then existing, they were able to make money and at the same time serve the farmers to good effect by tending to keep up prices in the fall of the year.

Then we came to 1943, when we turned our pork back on to the market because we had enough of it to supply Britain with all she needed and to give our own people all they wanted to eat. Then beef started to pile up on our markets. In January and February of this year we said, "The offer is still there; we still want to buy the surplus," and, as the hon. member for Lethbridge has said, the buyers on the Calgary market were prepared to pay certain prices for cattle until the packers got the supplies needed for the market that was immediately available to them. Then some rancher out in the country would phone in and say, "I would like to sell my cattle." The packer would reply, "Well, I have all I can handle at the moment," but the rancher would say, "I want you to come up and see them." So the packer would go up and look at the cattle and say, "I do not want your cattle at any price at the moment; I have all I need." But the rancher would reply, "I have to sell them. This is the usual time for selling them, and I want to get rid of them." Then the packer would say, "Well, if you are bound to get rid of them, though I do not want them I will give you a certain price for them. In the meantime I will see that somebody looks after them until I am ready to kill them." That is practically what it amounts to. The same thing would occur if you went over to your neighbour and said, "I have some cattle here which I am bound to sell." The neighbour might reply, "Well, I have all my stalls filled now; I have all the cattle I can feed, and I really do not want any more." But if you were to say, "Well, I cannot keep them any longer; I want you to take them," your neighbour might reply, "All right, but if I must feed them for another month or so, which means I will have to buy more feed, I will have to pay you a lower price for them." In other words no policy can be established by this government or anyone else which will make it possible for a person to keep his stock for a higher market than is available, and then insist that they be taken on a certain day or during a certain week. People must be prepared to spread the marketing of their product over a sufficient period of time to make possible the handling of it to advantage by whoever is buying it, whether a private individual or the government.

So that they ran into some difficulties for a few weeks, while we were on the second step of the stairs I mentioned. There were also difficulties when the last step was reached, but when we got to the top the difficulties disappeared. To-day the farmers who are selling cattle are getting the prices they said back in January and February they should be getting. But my hon. friend says the government should have taken them. If the government had taken them we would have had to hire some rancher to keep them until they were required for the market, or until they could be handled by the packing houses. So that we would have been in the same position that we were in as a result of what actually did happen. But another difficulty arose, about which a question has been asked. There were cows for sale. Well, anyone who has lived on a ranch in western Canada, or who has walked across a ranch, knows what happens. I have been on ranches in the west on which there were six and eight thousand head of cattle. The sires are running with the breeding stock, and the cows are bred. When the herds are taken in and sorted in the fall of the year some of these cows are prepared for market, and the usual practice has been to sell them before they begin to show that they have been bred. In January of 1944 these cows were ready for sale, but because of the circumstances I have described to the committee there was not a ready market for them. In the first instance the producers insisted on the government buying the cows. We replied that we were prepared to buy the beef just as soon as they could get the cows through the plants and the beef into position so we could have it frozen and sent to Britain. Finally, after some little delay, arrangements were made under which these cows were taken in, but not before some of the producers had taken a loss on them because of what developed, and not before some of the cows were in such a condition that it was not possible to market them in the spring of this year, so that they will be held over for another year.

The difficulties eventually were overcome, and most of the meat was marketed at a reasonable price. It is true that during this period the so-called floor price on cows would have been about 7½ cents a pound, and a few people were offered 6½ cents. I do not know how many sold at 6½ cents, but I do know that some producers wrote the department and said they had been offered this price, stating that this was one cent below the floor. Of course we replied that actually there was no floor price on cattle. The farmers have insisted

that there should not be any ceiling on cattle, and as a matter of fact there is neither a ceiling nor a floor. Neither is there a ceiling nor floor on hogs, though there is both a ceiling and a floor on pork and beef. So that before cattle can get into the position that we buy them at the floor price, they must be in the form of beef.

I should like to offer a suggestion to the hon. member for Lethbridge. I am not stating my own idea as to the solution of the difficulty, but I have talked the matter over with the men in Alberta whom he has quoted; I have discussed it in the city of Calgary, and I think these people are convinced that this is the correct plan. I suggest to the hon. member that he go back to Alberta and convince those people living in the vicinity of Lethbridge, particularly those whom he has quoted this afternoon, that the advice they have been giving in connection with the marketing of cattle in Canada does not suit the conditions that prevail on at least ninety per cent of the farms in this country. He should convince them that there should be some variation of the plan of setting floor prices under beef and, in accordance with that floor price, a somewhat different arrangement for a floor price under cattle; that is, not an actual floor price under cattle but the price that would result from the floor under beef. I am quite certain that if this is done we shall not experience some of the difficulties that have been experienced in the past in connection with marketing.

It has been said that the policy which has been followed over a period of years has resulted in great losses to the farmers. Well, I happen to have here the prices for the years 1942, 1943 and 1944 on three different markets, namely, Toronto, Winnipeg and Calgary. Since we are speaking of the Alberta position, probably I should take the Calgary market. The same is true, however, proportionately, on the other markets, as we go farther east across Canada.

This table shows the figure for the last day of the week in each of the weeks from January to the end of May. I shall take only the first week of each month, in order to give an idea of what has happened. In January, 1942, at Calgary the price of beef cattle was $9.25 a hundredweight; in 1943 it was $10.50, and in 1944, $11.35. There is not any indication in those prices to show that there was any loss taken in the first week of 1944 as against the first week of 1943. But in order not to pass up that month, without covering the other weeks, may I take the third week. The figures show that in the third week of January, 1942, the price was $9.35; in 1943 it was $10.50, and in 1944, $11.25. Those are the prices for good butcher steers, the type we always take as a basis for prices. Some would be higher, and some would be lower than that.

[Mr. Gardiner.]

Mr. BLACKMORE: They are handyweights?

Mr. GARDINER: Yes. Then, these figures show that on February 3, 1942 at Calgary—that is the next month—the price was $9.25; on the same date, 1943, it was $10.75, and $11.15 in 1944.

In the first week of March, 1942, the price at Calgary was $9.25; in 1943 for the corresponding week it was $11.50, and in 1944, $10.85. This figure represents a drop in the first week of March, 1944, of sixty-five cents a hundredweight. Then, coming down to April, 1942, we find the Calgary price in the first week at $9.75; in 1943, for the corresponding date it was $11.65, and in 1944, $11.15. Again we find a drop of about 50 cents in 1944 as against 1943. Coming down to May we find that on May 4, 1942, the price at Calgary was $10.25; in the corresponding week for 1943 it was $11.35, and in 1944 it was $11.30. In other words, by that time we were up on the top step in the floor price.

These figures show, further, that on May 11, 1942, the price at Calgary was $10.25, whereas in 1943 on the same date it was $11.65 and in 1944 it was $11.30. Then, coming down to the third week, beginning on the eighteenth, the price at Calgary in 1942 was $10.50; whereas in 1943 it was $11.35 and in 1944 it was $11.35. We are back on exactly the same floor we had in 1943, and we have exactly the same price in 1944 as we had in 1943.

I have not the prices for the Calgary market for either to-day or yesterday, but I do know that on May 22 the price at Toronto was $11.00 to $12.25 in 1943. This year it is $11.75 to $12.50. In Winnipeg on that date it was $11.25 to $11.75, and this year it is $11.75 to $12.00. So that the price this year, when you get up on the top level of the floor, is just as much as or even a little higher than a year ago. That no doubt is due to the fact that the ceiling is a quarter of a cent higher than it was prior to the arrangement made in May of 1943.

That is the history of the beef situation, with this exception, that we have bought a great many cattle in the form of beef.

Mr. TUSTIN: Would the minister put the remaining figures on the record?

Mr. GARDINER: I have the figures for several months, and for each week in each month. Perhaps I might be permitted to place them on *Hansard* without reading them.

The CHAIRMAN: With the unanimous consent of the committee, that may be done.

Weekly Beef Cattle Prices at Toronto, Winnipeg and Calgary

Week ending	Toronto			Winnipeg			Calgary		
	1942	1943	1944	1942	1943	1944	1942	1943	1944
Jan. 6	$ 9 10	$11 10	$11 85	$ 9 00	$10 50	$11 31	$ 9 25	$10 50	$11 35
13	9 51	11 02	11 85	8 65	10 43	11 12	9 35	10 50	10 65
20	9 51	11 31	11 75	9 00	10 25	11 53	9 35	10 50	11 25
27	9 30	11 56	11 62	8 75	10 75	11 25	9 35	10 50	11 25
Feb. 3	9 62	11 20	11 86	8 75	10 67	11 12	9 25	10 75	11 15
10	9 82	11 70	12 00	8 50	10 68	11 25	9 10	10 75	11 25
17	9 60	11 81	11 70	9 25	11 16	11 25	9 25	10 75	11 15
24	9 75	11 64	11 75	9 15	11 00	10 95	9 25	11 50	11 15
Mar. 2	9 90	11 62	11 71	9 34	11 25	10 78	9 25	11 50	10 85
9	10 08	11 87	11 61	9 25	11 00	11 14	9 00	11 75	10 85
16	9 77	11 73	11 80	9 12	11 12	11 31	9 50	11 70	10 85
23	9 87	11 80	11 75	9 19	11 18	10 87	9 50	11 65	10 85
30	10 21	11 84	11 51	9 50	11 00	11 05	9 70	11 65	10 85
Apr. 6	9 95	11 79	11 60	9 81	11 25	10 87	9 75	11 65	11 15
13	10 11	11 69	11 59	9 75	11 12	11 06	9 75	11 35	11 15
20	10 28	11 69	11 64	10 07	10 94	10 87	9 75	11 35	11 15
27	10 69	11 79	11 62	10 37	11 15	10 91	9 75	11 35	11 15
May 4	10 45	11 70	11 55	10 25	11 27	11 46	10 25	11 35	11 30
11	10 79	11 71	11 64	10 31	11 29	11 60	10 25	11 65	11 30
18	11 25	11 84	11 77	10 53	11 36	11 65	10 50	11 35	11 35

Mr. GARDINER: Something has been said with regard to marketing of cattle. In this connection I shall give only totals. I could give them for the months of the years, but I shall deal only with the totals and go back several years. This is a record of cattle marketings from 1938 to 1944.

Mr. BLACKMORE: For the whole of Canada?

Mr. GARDINER: Yes.

Mr. BLACKMORE: Under the government?

Mr. GARDINER: These numbers are for the years before the time the government took anything as well as during the war. The figures for cattle marketing are as follows:

	Head
1938	972,000
1939	1,061,000
1940	1,026,000
1941	1,167,000
1942	1,097,000

This indicates a drop of about 70,000 head in the fall of 1942, as against the marketings in the preceding year. In 1943 the marketings amounted to 1,024,000.

The only thing I can do to give an indication of what is happening in 1944 is to come down to the month of March. These are the marketings for the month of March in succeeding years:

March—	Head
1938	83,000
1939	71,000
1940	72,000
1941	70,000
1942	80,000
1943	76,000
1944	101,000

In other words, our marketings in the spring of 1944, the month of March to be exact, were very much higher than they were in the same month in preceding years. I could give other figures, but I do not think it is necessary to do so, to indicate what I am suggesting to the committee. It all adds up to this, that whereas under the agreement we had with the United States before the war we were permitted to sell 51,000 head of cattle to that country in the first three months, and 51,000 head in the second three months, in the present year, up until the end of the last month for which we have any record, we have purchased for delivery to Great Britain sufficient meat to cover 107,000 head of cattle. That is more cattle than we were permitted to sell under the special arrangements, with the benefit of a decreased tariff which we had during the period preceding the war. In other words, while there are increased marketings, there are increased sales being made off those marketings. We are selling to Great Britain at the present time, or have sold during the period beginning just before the new year, the period during which we have been buying beef and preparing it for the British market, 107,000 head of beef cattle for that purpose, in the form of beef.

Some suggestion was made a few minutes ago that I ought to say whether or not the American market is going to be open. It has been said that I ought to state my position on that point, in view of the statement I made in the fall of 1942. In that connection all I wish to say is this. The British are pressing us for all the beef we can send them. In answer to a question which was asked a few minutes ago I would say they are suggesting to us that they will provide the shipping to take it away. Up to date they have been

providing that shipping to take away our pork products, and also to take, as well, this additional beef. We have been attempting to secure beef and to secure pork products, and to have them at the ports to be taken away by the British ships when they arrive. So that in so far as one condition upon which I made my statement in 1942 is concerned, I would say that we have not yet arrived at the position where the British do not want the surplus meat that we have. We have not yet arrived at that point.

Dealing with the other side of the question, as to what the Americans think about it, I would call attention to what I said last night in connection with packing plants. American packing plants are working overtime to approximately the same extent as our packing plants in Canada. They are having difficulty in finding labour to man their plants, and we are having difficulty in getting labour to man our plants. They find themselves with the greatest live stock population, particularly cattle, that they have ever had in their history—just as we find ourselves with the greatest live stock population we have ever had, and particularly cattle, in our history.

So that the problems on their side of the line are the same as those on our side. I have not any doubt that if someone went to an American packing plant on the other side of the line or to an American drover and said, "Are you prepared to come to Canada and buy at lower prices than you have to pay in the United States and then take them on to the American market and sell them there?" he would get the natural answer. But in the United States they have a government, as we have one in Canada. We have spent much time in discussing these problems back and forth, and we think we understand the point of view of the United States. Believing that we understand it from the discussions we have had, we are not asking them to say what we ought to do with our cattle. We are trying to deal with our own problems, by doing something that will not multiply their problems. We are trying at the same time to satisfy the British, who want all the surplus beef that we can send to them. We are trying to do that. We are now entering into an agreement with Britain—and there will not be any great difficulty about it—which will suit their needs and at the same time suit our own necessities; and if we are able to reach an agreement of that kind I am quite sure that the orderly marketing of our beef on the British market will be a possibility from now at least until the war ends. If during that period our production increases to the point where the Americans can take some of our meat, and we are extremely desirous of that taking place, I do not think there is anyone on this side of the line who will have any desire to prevent that meat from getting into that market.

In the meantime we are trying to suit the needs of all parties concerned to the best of our ability, and I think we have done a fairly good job despite the fact that the hon. member for Lethbridge thinks we have bungled in relation to our beef and beef cattle policies. We believe that in giving what is obviously a price which compares favourably with any price we have obtained under similar circumstances in the past, the policy is not something that works to the disadvantage of our farmers. We believe, too, that just as we now have a flat return throughout the whole year for hogs, a flat return for cheese, and a flat return for some other farm products, without prices going up and down at different seasons of the year, if at all possible we should get a flat return on beef. If I had time this afternoon to put the prices on the record it would be found that the policy we are now following is establishing a flat price for beef, and since the demand for beef continues in Britain throughout the whole year there is not the necessity of taking care of great rushes of cattle on to that market at one time and of shortages at another. We can take in beef as it comes just as fast as our plants can handle it, and when it is taken in we can freeze it and ship it out to Britain as the boats are available, and thus market the product orderly throughout the whole twelve months of the year. That is the answer, Mr. Chairman, which I wish to give to the questions.

Mr. BLACKMORE: I should not be surprised if the minister finds it inconvenient to answer my questions; I may have to answer them myself before we finish this debate. I think the minister will have a hard time answering the answers which I will give. May I deal with the minister's rejoinder?

Even his remarks to-day give indication to the house and the country that there is a very strong demand for beef, that there is a demand for all the beef that Canadian farmers can produce. In the light of that fact, and in the light of the fact that a year ago beef was rationed in Canada and the price of beef was very high to those who wished to buy it to eat, and the great deal of talk there was of the need of beef for Britain—I ask you in the light of those facts how the ordinary farmer, the ordinary feeder, could possibly conceive that in the spring of 1944 he would not be able even to sell his beef. There were thou-

sands of beef in my constituency that remained on the feeding lots until the feeders sustained a devastating loss because they could not get an offer for the beef, whereas a year before buyers had been scouring the country for that very kind of beef and offering for it prices that were attractively remunerative. That is the disaster which overtook the feeders of beef in my constituency this year. It is all in those simple words, and no amount of speaking will cover the matter up. If there is need for beef, surely the beef producers should be able to sell when they are ready to sell. The minister simply has not taken into account the fearful loss a man sustains in feeding a herd of twenty-five or thirty up to a hundred head of beef cattle after the beef are ready to market, with prices of hay and feed and labour as they are to-day.

Mr. GARDINER: Beef are not like hogs. You do not have to sell them at a certain weight to make money out of them.

Mr. BLACKMORE: There is a maximum beyond which they do not readily add weight.

Mr. EVANS: Do not the two and three-year olds add weight?

Mr. BLACKMORE: Heavy weight steers do not gain very rapidly, and mature cows which are fed after they are eight years old do not add weight rapidly. Do not let the minister think I know nothing about beef.

Mr. EVANS: You do not know much about feeding cattle.

Mr. BLACKMORE: You have no idea what I know. You might be astonished. But I do not undertake to reveal all that I know before the hon. member. I was not always a member of parliament, not by any means. I was raised right up with beef and know beef pretty well.

This is the situation. No man who was feeding cattle could conceive last fall that he would be unable to sell. Not one man in a hundred could have conceived last fall that he would have to sell at lower prices than in 1943. The very figures which the minister gave when he read out the prices for 1942, 1943 and 1944 picture the tragedy. Imagine having to take a lower rate—

Mr. GARDINER: For a few weeks.

Mr. BLACKMORE: —for the three succeeding periods which the minister mentioned!

Mr. GARDINER: All inside a few weeks. Let me give the figures again.

Mr. BLACKMORE: Yes; give them again. The minister spoke for so long that I may have overlooked something.

Mr. GARDINER: March 2 is the only one that I gave where there was a considerable decrease.

Mr. BLACKMORE: But it was a decrease.

Mr. GARDINER: Let me read the figures: $9.25. 1942; $11.50, 1943; $10.85, 1944.

Mr. BLACKMORE : Enough to ruin a man.

Mr. GARDINER: That is a decrease of sixty-five cents.

Mr. BLACKMORE: That is enough to ruin a man feeding a herd of 50 cattle.

Mr. GARDINER: If he bought them at the price my hon. friend suggests he ought to be able to buy them at, one cent or one and a half to two cents under that selling price, he certainly was not going to take any loss. The representative who came from Alberta told me this, and I agree. He said: "I can take cattle on to my range in the spring of the year at ten cents a pound, and I can sell them off the grass in the fall of the year at nine cents a pound and make money on them."

Mr. BLACKMORE: Certainly, because he is on the grass.

Mr. GARDINER: Yes, on the grass.

Mr. BLACKMORE: He is not feeding grain and hay.

Mr. GARDINER: I can give the hon. member for Lethbridge the answer I gave him "There is another reason; you have cheaper grass from the government."

Mr. BLACKMORE: And less labour.

Mr. GARDINER: "You can put your cattle on the grass in the spring, and on the increase in weight you can make money."

Mr. BLACKMORE: Exactly.

Mr. GARDINER: But I said, "Why do you come to the government and ask the government to take care of your problem? Why do you not sell the cattle at a cent less to these feed lot men, instead of compelling them to pay from ten to eleven cents for the cattle in the fall and they having to sell them at over eleven and one-half to twelve cents in the spring in order to make a profit?

Mr. BLACKMORE: The minister is contending for the very thing I am contending for.

Mr. GARDINER: I am just telling the hon. member what some of the advisers he is quoting from had to say, and what the reply is to them.

Mr. BLACKMORE: I did not quote any advisers.

Mr. GARDINER: In other words, that is not a problem for the government to deal with or to take money out of the treasury to deal with.

Mr. BLACKMORE: I did not quote any authority at all.

Mr. GARDINER: My hon. friend has quoted the president of one of the associations to whom I wrote a letter.

Mr. BLACKMORE: I quoted no authority.

Mr. GARDINER: Then, on April 6: 9·75 cents in 1942, 11·65 cents in 1943, and 11·15 cents in 1944.

Mr. BLACKMORE: All right, another disastrous loss.

Mr. GARDINER: That is a drop of half a cent a pound.

Mr. BLACKMORE: Over a whole month.

Mr. GARDINER: Over a whole week.

Mr. BLACKMORE: Over a whole month of marketing.

Mr. GARDINER: That particular date—yes, that is a month later.

Mr. BLACKMORE: That is disastrous.

Mr. GARDINER: My hon. friend knows this, if he knows anything about cattle—

Mr. BLACKMORE: He knows about cattle.

Mr. GARDINER: —as he says he does; he knows that anyone who is attempting to feed cattle and market them on a margin of less than half a cent a pound—well, he must have a remarkable judgment in connection with cattle. Anyone who does not bank on there being a difference of half a cent a pound over a month any year in the marketing of cattle is taking very long chances in his feeding. You can take any year for the past twenty years and you will find variations very much greater than that variation in the price of cattle as between different years.

On May 4 there is a difference of five cents.

Mr. BLACKMORE: Another drop. That is two quotations.

Mr. GARDINER: 10·25, 11·35, 11·30.

Mr. BLACKMORE: Well, who would imagine it?

Mr. GARDINER: Who would imagine a farmer buying cattle and making a great loss because of the difference between 11·35 and 11·30?

[Mr. Gardiner.]

Mr. BLACKMORE: But there are two whole months of marketings there.

Mr. GARDINER: Yes, even if there are two whole months of marketings.

Mr. BLACKMORE: The minister does not know what he is talking about.

Mr. GARDINER: The half cent a pound over that period of time, as compared with another year in which the prices were the highest on record in recent years, does not indicate that the farmers were up against the possibility of an enormous loss, because of that alone. I am speaking now of ninety per cent of the farmers. The man who paid eleven cents in the fall and sold at eleven cents in the spring no doubt lost some money, but I am speaking of the man who had some cattle and grain and fed the cattle on the grain, and that applies to about ninety per cent of cattle in this country.

Mr. BLACKMORE: Who would imagine that, with a higher ceiling price in 1944 than there was in 1943, the price of stock would be lower than it was in 1943? You see the situation is just practically absurd to any intelligent man.

Mr. GARDINER: There is a quarter of a cent on beef, which is about one-eighth of a cent on the cattle, and if my hon. friend can figure any closer than that, he is a good one.

Mr. BLACKMORE: That is a lot, on fifty steers. I understand the feeding business fairly well; the picture which is delineated by the minister spells disaster for feeders of stock, and there is not a feeder in my constituency who will not support me in that statement. Remember, there was a higher ceiling price in 1944 but a lower price for the stock being sold, and many men were unable to get offerings at all. It is just so terrible that one would hardly think the minister would fail to realize it.

One other thing. The minister even yet has not given the price at which these cattle entered the feed lots. He must bear in mind that, when prices for finished cattle were high, in 1943, naturally those who had feeder cattle to offer demanded higher prices for their feeder cattle, and those who were prospective feeders naturally felt confident in offering higher prices. The result was that feeders were put in a position where they were exceedingly vulnerable. If you want any more evidence to prove that the whole situation was bungled, you are certainly hard to convince.

The minister mentioned cows. The cows which were fed were not cows that were

preparing to freshen. It is a settled custom to take cows which have finished their usefulness and feed them as beef. Many, many cows were fed in that way in my constituency.

I think that is enough in a general way. Now I want to read the minister one or two things and see whether he recalls that something like this actually occurred. I asked three questions to start with. Maybe I had better repeat those questions. It is a long list; but you have to get to the facts; you have to get to the basis of this thing to realize how bad it all is.

Is it a fact that the beef producers of Alberta in August, 1942, waived the right to export beef to the United States? The answer is yes.

Mr. GARDINER: Well, I would say that the answer is no, and I answered that question while I was speaking. A few Alberta ranchers and others met and passed a resolution, but I do not think anyone in Canada waived the right to market cattle in the United States. There was a regulation put out with regard to it which all of us had to live up to, but nobody waived any rights.

Mr. BLACKMORE: Well, they felt they did. They met on August 25, 1942, in Calgary, and after careful deliberation passed a resolution by which they waived this right, and they laid down the conditions under which they waived the right. The resolution was the beginning of an agreement between themselves and the wartime prices and trade board. The minister may not consider that binding, but out west we do consider a thing like that rather binding.

Mr. EVANS: Do the Lethbridge feeders govern the feeding of western Canada?

Mr. BLACKMORE: Nothing idiotic like that.

Mr. EVANS: It sounds like that.

Mr. BLACKMORE: The hon. member just makes himself foolish in the eyes of intelligent men.

Mr. EVANS: Not half so foolish as some people make themselves.

Mr. BLACKMORE: On October 7, 1942, I am informed there was a press release entitled "Press Release No. 0231," issued according to my information by the chairman, Donald Gordon, in which the following words were reported as being used:

> The wartime food corporation will be prepared to buy cattle if there is at any time a surplus supply which threatens to depress cattle prices unduly, and after providing a reasonable supply for domestic consumption, will export any remaining surplus cattle.

These words can mean only one thing, that if a man had a corral full of fat cows, the like of which he had been able to sell at nine cents or nine and a half cents in February and March of 1943, and in 1944 he has to wait for weeks for a bidder, and finally sell between six and one-half and seven and one-half cents—

Mr. GARDINER: What was the date of the press release?

Mr. BLACKMORE: October 7, 1942.

Mr. GARDINER: That is a long while back.

Mr. BLACKMORE: Exactly, but it was the beginning of this. The minister went back to 1936. I will indulge in a little history too.

Mr. GARDINER: Yes, but what I am pointing out is that that condition existed under an order which was passed at that time. That order was changed later, and what he announced would take place did take place down to a certain time.

Mr. BLACKMORE: Can the minister give the press release which cancelled this one?

Mr. GARDINER: I do not know whether there was one or not. I did not issue the press release.

Mr. BLACKMORE: That is just the point. The western feeders did not know either. If there ever was such an order it certainly was not widely publicized among the feeders in the west, and that is an evidence of bungling.

Mr. GARDINER: No. There was a standing order all through 1943. There was a standing order from early in the spring of 1943 right down to the present time for the purchase of surplus beef that was in frozen form in store in any of the plants—all the way through. There was no surplus there until the fall of 1943.

Mr. BLACKMORE: Then how could it be possible that the farmers were told that they were unable to sell beef in February and March, 1944, because the packing plants were full?

Mr. GARDINER: That is very simple. You had upwards of 100,000 hogs in a week coming in more than came in before, which of course filled the packing plants, and you had beef at the same time coming in. There were times when you had 30,000, 50,000 and upwards of 100,000, in that period of time, coming in during one week, in addition to the number reached in previous years, and that being the case, the packing plants were filled.

Mr. BLACKMORE: If the standing order prevailed at that time, surely the government would have been taking meat out of the packing plants as fast as it was brought in. The whole thing does not fit together to make sense.

Mr. GARDINER: It does to some people. It makes sense to me.

Mr. BLACKMORE: To the ordinary person it does not. The minister says that there has been a standing order to take beef, and that this has prevailed since a certain date in the fall of 1943.

Mr. GARDINER: The hon. member forgets the other part of the statement I made in answer to his question. I said that one of the reasons why there was not a surplus of beef there was the policy proposed at the meeting to which reference was made. Where you have a rising floor beginning at a low level, in September and October, and rising to a higher level in April and May and continuing through to August, while that rising process is taking place the packer does not buy any more on that step than he can sell on that step, and that was one thing that delayed the purchases of cattle, resulting from the fact that beef was not on hand in a surplus to be sold. As to the change of policy, I made a recommendation to the very people the hon. member is talking about, the people in Alberta, the suggestion being that it would help considerably to have it changed. As long as they are insisting on the policy that is being followed there will be trouble if it is maintained, but if they take the position that it should be changed from the plan set out in Calgary in 1942, there will probably be more favourable consideration given to it at this end.

Mr. BLACKMORE: The minister is not entirely logical. This order, this press release by Donald Gordon, undertakes to purchase any surplus of beef that threatens to depress the price. The very minute that the packers cease to buy, thereby causing a surplus to accumulate, threatening to depress prices, then unquestionably the Wartime Food Corporation should step into the picture to rectify the situation.

Mr. GARDINER: The order has been there all the time for any surplus of beef, and where there were surpluses they were bought. They were bought to the extent of 107,000 head of cattle, which was more than was bought previously to be sent to the United States market, and this is sent to the British market.

Mr. BLACKMORE: The important point is this. Why were not these cattle bought which were standing in the way in my constituency, occasioning such a loss? If the standing order was there, and this statement of the wartime prices and trade board has never been revoked, why was it not put into operation?

Mr. GARDINER: I can tell my hon. friend why they were not bought. I did not sell my cattle in those weeks that were referred to when the price was down. The fact that the price was at a certain level on the market does not mean that every farmer sold his cattle. Many carried their cattle through, which was the proper thing to do under the circumstances. When the market is glutted with stock, stock that you can carry over, you ought to carry over, and many farmers carried cattle to the last week in April or the first week in May or later. In fact, they are coming on to the market now in great numbers, as the figures which I read indicate.

Mr. BLACKMORE: Exactly so; but the cattle, the presence of which occasioned people concern, were ready for the market in the early days of February. The difficulty arises in the fact that this supporting purchase of live cattle did not come into operation, and when the people who are concerned tried to find out who would buy these cattle in accordance with the statement made by Donald Gordon all they got was a run-around.

Mr. GARDINER: Oh, no.

Mr. BLACKMORE: Let me give evidence to show that it is as I say.

Mr. GARDINER: The farmers all know, and they would explain it to the hon. gentleman if they were here, that the price paid for beef on the last step before they reached the top was within a quarter of a cent of the highest floor. They were all instructed to that effect and the price was paid. It was not half a cent below the high floor during the latter part of the period; it was up to within half a cent of the ceiling, which is a quarter of a cent below the highest floor; the cattle during that period did sell readily, and beef was taken off the market readily in that period and is still being taken off the market in great quantities.

Mr. BLACKMORE: The minister's statements are not in accordance with the facts as they exist in my constituency, not by any means.

Mr. GARDINER: I am talking about Canada, not the hon. member's constituency.

Mr. BLACKMORE: Just the same, I will show that this is not an area that can be ignored or neglected or kicked around or shoved about, because there was a meeting of 289 persons in Lethbridge on March 15—

An hon. MEMBER: Where is Lethbridge?

Mr. BLACKMORE: I expected that the hon. member would not know his geography, judging from other things he has said. At this meeting there were 289 people, and they had altogether 26,000 head of cattle —

Mr. GARDINER: It turned out later that they had between three and four thousand.

Mr. BLACKMORE: — and 86,200 sheep.

Mr. GARDINER: It turned out later, on checking the records at the time that statement was made, that there were three or four thousand head of cattle ready for market.

Mr. BLACKMORE: The evidence I have here is not to that effect; I have been in close contact with the people there and I believe they know. This is the point. If a man named, let us say, James Jones, in an area outside Lethbridge has fifty fat cows ready to sell in the third week of February and he has no offer for those cows at remunerative prices, and is running out of feed, whom should he approach to have those cattle taken off his hands, in accordance with the promise implied in Donald Gordon's press release?

Mr. GARDINER: He should approach somebody who could turn them into beef and get them frozen in the places where they could be marketed in the sense covered by the statement of Donald Gordon.

Mr. BLACKMORE: In other words, the government had no agency for buying the stock.

Mr. GARDINER: Yes, there were agencies.

Mr. BLACKMORE: Well, what were the agencies?

Mr. GARDINER: My hon. friend seems to know what the agency was. He has been speaking of the different plants at which the product could be marketed. They are the agent of the meat board in connection with the marketing of hogs that go to Britain; that is, the plants that are able to process hogs and turn them into bacon and ham. The government has considerable authority over them; they have maintained, through all the period since the war began, the prices paid farmers for hogs in order that those prices might bear a proper relationship to the ceiling price of bacon and ham, and everyone who has examined into the matter has agreed that the relationship has been properly maintained. The same will be true in the marketing of beef in the British market. The facilities that are there for the processing of beef will be the agency which is purchasing cattle and turning it into frozen beef that can be sent to Britain to supply them with food. The facilities that are there will be utilized as the agency to do it.

Mr. BLACKMORE: Suppose the marketing plants in the area refuse to take the cows, then what?

Mr. GARDINER: That is supposing something which does not happen.

Mr. BLACKMORE: But that occurred.

Mr. GARDINER: Oh, no.

Mr. BLACKMORE: That occurred.

Mr. GARDINER: There was a glut on the market for a few days, but within a short time a representative of the government reached Calgary, met the men and settled the whole problem to the satisfaction of those who were out there. My hon. friend is talking about a problem which existed for a few weeks in January and February and which he knows was settled to the satisfaction of those concerned.

Mr. BLACKMORE: The minister is entirely overlooking the fact that a man who has fifty or sixty head of stock can be ruined in a few weeks. That is the point the minister is overlooking, and he has not told us yet to whom this man, James Jones, could apply to market his cattle. All he has said is that the nearest packing plant or packing plants would take them. If the packing plants are not prepared to act then the man is simply out of luck.

Mr. GARDINER: What would the hon. member propose ought to be done?

Mr. BLACKMORE: Certainly there should be some realistic interpretation and application of this press release. Notice what it says:

> The Wartime Food Corporation will be prepared to buy cattle.

That is not the fact, certainly.

Mr. GARDINER: My hon. friend has read the statement and I now say to him that that particular arrangement was changed.

Mr. BLACKMORE: When was it changed?

Mr. GARDINER: It was changed in the spring of 1943.

Mr. BLACKMORE: From that time thereafter—

Mr. GARDINER: From the time the meat board was set up it became responsible for purchasing meat.

Mr. BLACKMORE: Then, James Jones should apply to the meat board?

Mr. GARDINER: No; he should sell his cattle to the plants where the beef can be processed, and then the meat board will purchase the meat from those plants.

Mr. BLACKMORE: From what the minister is saying this is not designed to be a government agency to buy that surplus meat?

Mr. GARDINER: At the floor which was established as a result of representations made from Alberta.

Mr. BLACKMORE: This press release specifically states that the Wartime Food Corporation will buy. The minister now says that the meat board was going to buy.

Mr. GARDINER: At the floor price, but there was no one in Alberta who was prepared to sell cattle at the price fixed as the floor for beef. That is the reason why they were raising difficulties about it. They want to sell at a higher price than that. They want to sell it at the ceiling, not down at the bottom.

Mr. BLACKMORE: What was the floor price for fat cows on February 10?

Mr. GARDINER: The ceiling price on beef was 18¾ cents all through the year, and the floor price from December 18 to February 7 was 1¾ cents below that.

Mr. BLACKMORE: Below what?

Mr. GARDINER: Below 18¾ cents. That would be 17 cents a side.

Mr. BLACKMORE: What would be the price on cows?

Mr. GARDINER: I have given the price of steers, commercial grade. The price of cow beef would be 16¼ cents.

Mr. BLACKMORE: The price of cows would be 14¼ cents.

Mr. GARDINER: No, 16¼ cents. The price of steer beef was 17 cents.

Mr. BLACKMORE: The minister will be interested in hearing this letter from very responsible feeders.

Mr. GARDINER: The price I gave was for beef, not cattle.

Mr. BLACKMORE: Yes, fat cows. Here is a letter from Cardston:

Alberta, February 9, 1944.

Mr. L. W. Pearsall,
Meat Board,
Ottawa, Canada.

Dear sir,

We were obliged to sell our fat cows for the best offer we could get. We held them as long as possible on your advice that improvement was expected, but fat cows cannot be held indefinitely as you are fully aware, and we received only 7½ cents for these choice cows.

Mr. GARDINER: That is the floor.

[Mr. Blackmore.]

Mr. BLACKMORE:

Cows of no more quality were bringing 9½ cents at this time last year. These same cows only grass fat, at the lowest price under your ceiling, brought 8½ cents last September. After three months of grain feeding and with advances allowed under your ceiling regulations, we are able to obtain only 7½ cents. The result of your ceiling regulations has been apparent, but so far we have seen no action to maintain a price.

Mr. GARDINER: That is exactly in accordance with what I was telling the hon. member in my statement. The ceiling price is a flat ceiling running right through the year, and cows, of course, can be sold near the ceiling while they are buying for a market in Canada. Cows can be sold at a higher price if it is possible to retail the beef right up to the ceiling. During the period when the packer was buying cattle in order to supply his market at that particular price level the farmer who sold them early in that period and got the price which was near to the price made possible were by beef being sold near the ceiling, would get something near the ceiling; but when it came to the time that the packers had all the cattle they wanted for their trade under this policy which was laid down in Calgary and recommended here from Calgary, the situation changed. The packers said: "if we buy any more cattle we have to turn them over to the government at the floor." They said: "All we can pay for cows is 7½ cents." That is the floor. They would then offer 7½ cents for any additional cows, the beef from which they were going to put in storage and deliver to the government. That, of course, is what is meant by a floor and ceiling price. What I suggest as the real criticism of the policy is that it was meant to suit the sale of fat steers to commercial feeders in the fall of the year so that they would be able to sell them as red label beef in the spring. That was all right in peace time but in war time it does not necessarily work on all grades of cattle. The reason for that is that you can sell all those steers as butcher steers when they come in. You can sell them as they come in, put them through cold storage, freeze them and ship them to Britain in quantities all during the year. Therefore it is not necessary to send them back to the farm to be re-fed. They are taken right in, and if a man comes on the market and tries to buy them and take them back he will have to pay up to the ceiling price for them because somebody else is prepared to take all these cattle and slaughter them. Under present conditions the old policy just will not work; that is all, and as soon as the few men out in that section view as a

fact what all the rest of the farmers of Canada realize, that it will not work, and make recommendations in accordance with the experience of the present, I am sure that conditions will be very much better than they have been recently.

Mr. BLACKMORE: The reason why it will not work is that we destroyed what is called the free market. Is that not so?

Mr. GARDINER: I would not say that we destroyed it; I would say that Hitler destroyed it. There is no free market in war time.

Mr. BLACKMORE: When the government agency established a ceiling price they came rather close to destroying the free market. They established control over the whole market. As I said a few moments ago, control ought to mean control for everybody. It ought to control the prices of the materials that go into the product as it controls the price of the ultimate product. It ought to control everything pertaining to the commodity if it is to work properly.

Mr. GARDINER: If we undertook to do that we would say definitely to the men who have been feeding butcher cattle for red label beef, "you are not going to be allowed to do that." That is what we ought to say if we are to follow the suggestion made by the hon. member. It would be then the government's duty to tell everyone what he ought to do. The first thing we ought to tell him, in order to make this thing right, is that we do not want him to feed these cattle up from good butchers to red label. When he once brings them on the market they will be sold. We want them butchered and put on the market. On the other hand, if he wishes to go on with his commercial feeding there is one way of doing it. Take those cows. They can be fed for commercial purposes. They can be bought down below the prices that we have been talking about this afternoon. They can be fattened and sold by the same people who were previously building up steers that were already in shape for the market; they can take the unfed cattle. If this year conditions were to develop as my hon. friend's constituents believed a week or two ago they would, into a period in which we would have short grass and very little feed, then of course along toward the fall of the year steers could be bought which would have to be fed before coming on the market. The commercial feeder could feed these to the point where they would make good beef. Up to date the government has not endeavoured to carry regulation that far back, and I am not proposing that we should do so. If we were to follow the suggestion of the hon. member for Lethbridge, it is there we would have to start.

Mr. BLACKMORE: It is certain that you cannot control part of a market and leave the rest of it uncontrolled, and have a good condition. That is obvious. That is where the difficulty lies in connection with this matter. The government is quick enough to control all the things that might give the farmer a profit, but it does not control those things which bring him a loss. The element in the whole situation that would make the policy of the government workable is the very element indicated in this press release; in other words, just as soon as there was a surplus of cattle that threatened to depress prices, a government agency would step into the picture and buy. That did not happen; it has not happened, and the fact that it has not happened constitutes a condemnation of the government's beef policy.

Mr. GARDINER: It is happening right now.

Mr. BLACKMORE: Is a government agency buying live cattle to-day?

Mr. GARDINER: Not live cattle, and our press release does not say that we are going to buy live cattle. It says that we are going to buy beef.

Mr. BLACKMORE: The point is that what was promised was not carried out. Men were eager to sell, were losing money every day, were trying frantically to find who would buy the cattle. When they approached a member of the meat board they were told that this board had no power to make policy, and when they approached a representative of the wartime prices and trade board they were told that it was the business of the Department of Agriculture to buy the beef. Therefore the misery was complete, and the disaster to hundreds of feeders was such that probably a good many of them will never recover from it.

Mr. GARDINER: We bought 107,000 head.

Mr. BLACKMORE: Alive or dead?

Mr. GARDINER: Dead, of course.

Mr. BLACKMORE: From the packers?

Mr. GARDINER: From the packers.

Mr. BLACKMORE: Does anyone conceive for a moment that the farmers would take this press release to mean that the government was going to buy from the packers?

Mr. GARDINER: Certainly; read it again.

Mr. BLACKMORE: It reads:

The Wartime Food Corporation will be prepared to buy cattle if there is at any time a surplus supply which threatens to depress cattle prices unduly, and after providing a reserve supply for domestic consumption, will export any remaining surplus cattle.

Mr. GARDINER: The old cattle order was the one that was put in at the time the corporation was prepared to buy cattle and send them to the United States; but the basis on which we have been working since the spring of 1943, which was announced, was that we would have a floor price for beef as well as a ceiling price. Before that it had always been a ceiling price only. We said that we would have a floor price as well as a ceiling, and that the government agency would always be prepared to buy beef at the floor price. That is the undertaking which was given, and it has been carried out.

Mr. BLACKMORE: I contend that it has not been carried out in the spirit of the announcement at all. I am now going to read the rest of this letter. The minister sees clearly that if the government is prepared to buy beef only from the packers it leaves the producers at the mercy of the packers.

Mr. GARDINER: It does not do that with hogs.

Mr. BLACKMORE: That is the point; it does not do that with hogs, but it is doing it with cattle and sheep.

Mr. GARDINER: There is only one reason for that in connection with cattle; that is, as a result of the varying floor price instead of the flat floor price we have in connection with hogs.

Mr. BLACKMORE: But surely a varying floor could be applied just as well as a flat floor.

Mr. GARDINER: It cannot.

Mr. BLACKMORE: The minister might explain why. I go on with this letter:

We fed these cows on the understanding that beef was urgently required, and your guarantee that the price would be maintained. The assumption that this beef was in urgent demand appears erroneous and the assumption that you would maintain a price has also proven erroneous to date. We would like to know what we may expect in the way of bonus or compensation inasmuch as these cows should have been sold for not less than 9 cents to be in line with previous prices paid.

That is signed by Smith and Kearl. These gentlemen are reputable stock feeders, reputable ranchers and very conservative men; this letter must carry a considerable amount of weight. Now here is the letter from Mr. Pearsall:

Mr. J. S. Smith,
Smith & Kearl,
Cardston, Alberta.

Dear Sir,

We have for acknowledgment your letter of February 9 relative to cows which you marketed recently, and which did not return you price anticipated.

We regret that owing to circumstances then prevailing and which we explained previously in our wires, you unfortunately found it necessary to market your cattle at the most difficult time. We further regret that there is no provision to adjust the price to the shipper under such circumstances.

Mr. GARDINER: Is my hon. friend suggesting that $90 a head is not a good price for old cows? A price of $7.50 a hundred for a 1,200 pound cow, which is not a big cow, would be about $90 for a cow that has been used for breeding purposes for some time and then fattened and sold. Is my hon. friend suggesting that that is not a good price?

Mr. BLACKMORE: Is the minister forgetting the fact that those cows were bought for 8½ cents in September?

Mr. GARDINER: Why did he pay that?

Mr. BLACKMORE: Because he counted on the government of Canada playing fair with him.

Mr. GARDINER: He had no reason, under any price levels that were set, to buy those cows at the price stated and think he was going to sell them at higher prices later on. He had no justification whatever for thinking he would be able to sell them for a higher price in January. If he thought he would be able to sell them at a higher price in the latter part of April or May there might have been some justification for it, but not for thinking he could sell them at a higher price in February, under any price level that was set, following the floor suggested from the Calgary meeting.

Mr. BLACKMORE: If the minister will just refer back to the figures he so proudly read a few moments ago, giving prices in the various years, he will see that there was a steady increase commencing with the first year and continuing into 1943. The war is still going on; we have had international food conferences meet and announce that they are going to need almost limitless supplies of food. What man using average intelligence would conceive that the price of beef in the spring of 1944 would be lower than in 1943? There just is not any sense in that idea at all.

The mere fact that the price had been up in 1943 as compared with 1942 was justification for expecting that while the war continued, Britain would still need meat and the price would be maintained. In addition we had rationing of meat in Canada, and a promise like this had been given, so that certainly there was justification for anticipating that prices would at least be up to 1943 levels.

The CHAIRMAN: Shall the item carry?

Mr. BLACKMORE: No; it is not carried yet. We have only started on this thing.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. BLACKMORE: Mr. Chairman, before the committee took recess I was discussing with the minister the question of the marketing of beef in my own constituency. I believe that I used up about as much time as I should at this particular phase of the debate. However, I should like to finish reading the letter I commenced to read, and also read one more. I was reading a letter dated February 21 from Mr. L. W. Pearsall, secretary-manager of the meat board, to Mr. J. S. Smith of Smith and Kearl, Cardston, Alberta. The last paragraph reads:

> We believe you will realize that it is quite impossible for us to provide against ocean shipping difficulties over which we have no control. These were primarily responsible for storage congestion and thus depressed the market for your particular class of cattle which was not in current demand on the domestic market.

The committee will be interested also in the letter which Smith and Kearl wrote in reply under date of February 28, and which reads:

> We have your regrets contained in your letter of February 21 which are of no value to us. We were amply supplied with regrets before it arrived.
>
> In place of these regrets we should appreciate some information. We have seen the price ceiling operative throughout the west. (Your letter appears to be a frank admission that there is not and never was any attempt to provide a floor price for the producer in spite of the fact information to that effect was widely circulated.) Your last paragraph indicates that demand alone dictated the price on these cattle, yet your control of exports which are prohibited to the United States and price ceilings are responsible for this congestion. We realize that you cannot control shipping difficulties, but if it is not your job to control prices, then we feel at liberty to ask what is your job?
>
> These cows that went to the packers for seven and one-half cents one week and for which a week or two later they would have paid eight and one-half cents went to the consumer at the same price as usual. We noted no fluctuation there. We note your regret that there is no provision to adjust the price to the producer. It appears quite clear to us who your present policy is benefiting. We should like to know why no provision was made to adjust the price to the producer if you expect to maintain price control. We should like to know why provision is not made now. We no doubt regret a great deal more than anyone else, other than producers, that it has not been done.

I think I have said all that I care to say at the present time.

However, in closing I should like to say that in my judgment the government was exceedingly remiss in its duty by failing to protect feeders and producers of beef against possible losses over which they had no control and which they could not possibly have foreseen. I think the government should be censured further for failing to centre responsibility. If certain adjustments had been made a great deal of loss would have been saved. If the responsibility for the purchase of beef had not been divided between the wartime prices and trade board and the Department of Agriculture much of this trouble would not have occurred.

I suggest to the minister that he urge upon the cabinet that his department be allowed to take over complete control of the whole matter of marketing of animals and also to exercise a measure of supervision over prices. Wherever the minister has had complete control over any matter pertaining to agriculture he has either found a solution or has put forth a substantial effort to do so. I believe that if the minister were entirely free to do what he deems to be best, he would do a good job. I should like to see his department have complete control over this matter, and I think I speak for my constitutents when I say that.

Mr. CASTLEDEN: In the course of his remarks the minister did not reply to a number of questions which I placed before him when we were dealing with the general item. First, I asked what steps had been taken to provide for adequate marketing and storage of the increased live stock production which is occurring in certain areas at the present time. I asked also what the policy of the government was with regard to applications for new storage or packing plants. I asked also what the government was doing to reimburse farmers whose stock had not been accepted on the Winnipeg market and who had to ship east, with a resulting delay. I inquired about the quantities of meat which had been spoiled in the different years—I understand there has been spoilage—and what steps have been taken to reimburse those who have suffered losses.

There is another matter in connection with our bacon shipments to Great Britain. The *Western Producer* of March 23 states:

Associated with Mr. Peterson was Dr. George B. Miller of Ottawa, bacon specialist with the Canadian meat board, who has recently returned from Britain where he inspected handling of Canadian Wiltshire bacon. He explained that all bacon reaching the British housewife was "slightly stale" because supplies were kept on hand three or four weeks. Often, he found, Canadian bacon was kept on British wharfs two or three days before getting to refrigerated storage.

I believe that since that time the government has adopted some policy to overcome this matter, but I submit that this practice deteriorates the quality of our bacon and will possibly affect the demand for Canadian bacon as compared with the demand for Danish bacon when the war is over.

I referred also to labour within the packing plants. At different times labour has been blamed for the stoppages and congestion which have occurred in different plants and I do not think that charge was justified. I should like to know whether the Minister of Agriculture has taken steps to deal with the labour situation. There were one or two things the labourers in these packing plants wanted, and if these were granted I think it would help considerably in relieving this situation. One was equal pay for women.

The CHAIRMAN: I wonder if we are in order discussing labour matters on the present item?

Mr. GARDINER: The hon. member is dealing with labour in the packing plants which is necessary to put out the hogs, and I think he is quite in order.

Mr. CASTLEDEN: The other complaint was that a certain amount of income tax was being collected at the source for overtime work, which mitigated against the willingness of the people to work overtime. If these matters were straightened out I think it would do a lot toward easing the situation in regard to labour in these plants. We all know a great number of the skilled workers have been taken by selective service and those people who are now going into the plants are not nearly as efficient. If one visits one of these plants he realizes that the job these men and women are doing is at times at least nauseating, and deserves special consideration.

A report in the Winnipeg *Tribune* of October 15 last stated that sheep had hit an all-time low of about fifty cents per 100 pounds. Has anything been done to see that this type of thing shall not occur again this fall? Are steps being taken to smooth out the flow so that producers will not suffer from gluts as they have in the past?

[Mr. Castleden.]

Mr. GARDINER: On the question of shipment of hogs east in order to take care of over-supply in plants in the west, I may say that to December 31 the number shipped east was 46,246, and the subsidy paid by the government was $35,202.50. For January the number shipped east was 57,656. For February the number shipped east was 36,365 and the amount paid. $30,088.99. For March the number shipped east was eighty-five and the amount paid, $59.46. The total number shipped east from last fall until March was 140,352, and the amount paid was $111,-253.70. The basis on which these payments were made was the order of the meat board dated February 11, 1944, which reads:

Under authority of meat board regulations P.C. 4187, the board hereby determines that:

As it is deemed advisable to protect the producer against loss from dead and crippled hogs, payment is hereby approved of the following additional allowances, for this purpose, on such hogs as are eligible for the regular rebate of 50 cents per hundred pounds:

1. Shipments originating in Manitoba—20 cents per hog.

2. Shipments originating in Saskatchewan—30 cents per hog.

3. Shipments originating in Alberta—40 cents per hog.

Then on May 1, 1944, the following order was made by the meat board:

Under authority of meat board regulations P.C. 4187 the board hereby determines that in view of the changes in basic prices for hogs which became effective on April 10, 1944, hogs shipped from the western provinces and slaughtered in Ontario or Quebec plants must on and after that date be settled for on the following basis, in order to be eligible for the rebate of 50 cents per hundred pounds:

The price at which hogs are settled for to the shipper shall be $17.75 or better per hundred pounds warm dressed weight, on the basis of B.1 grade, or $18.15 basis A grade, delivered at eastern plants.

It will be understood that that change was necessary because of the change in grading and in the method of payment that was made at that time. Those facts give the answer, I think, with regard to hogs shipped east, the payments made and the manner in which they were made.

Mr. CASTLEDEN: Possibly not sufficient account is taken of the fact that these hogs may be on the road for two or three days longer, with a consequent loss in weight and therefore in grade. I do not think less than one dollar would cover that.

Mr. GARDINER: The basis was decided on after twenty years' experience of shipments east and takes care of all those matters except exceptional cases where damage took place. The fifty cents covers everything, including shrinkage.

The next question was that of labour supply. I have a statement before me which furnishes some answer to the question as to what happened recently in packing plants. I was in the west on the 17th of April and met a number of representatives of producers in Alberta. I was in Calgary and met there most of those who were interested in the problem then developing in the packing plants in Calgary, Edmonton and Winnipeg. Representations were made to the effect that farmers were being asked to retain their hogs at home until the rush of deliveries at the plants could be taken care of. The difficulty which developed at that time was largely owing to the fact that we have been following certain practices in connection with farm labour. Ever since the spring of 1942 it has been provided in our regulations that those who are essential to agriculture are given postponements in the matter of military service, but the postponements are conditional upon the men remaining on the farm. During the past two winters provision has been made for farm labour leaving the farm in the winter months and going into necessary work such as work in the bush, in the coal mines and in these packing plants, but the definite undertaking was given that these men would be returned to the farms in the spring, leaving whatever activities they had been engaged in during the winter. Accordingly, we had a number of these men in the packing plants during the winter months who, in the month of March, began to move back to the farm in compliance with the regulations.

The hon. member has asked what was done to cope with the problem. All I can say is that immediately those representations were made I wired to the Minister of Labour. He was in Philadelphia at that time, so that the matter was immediately taken up by his deputy and inside of a few hours I had a wire from him which indicated that something was being done to take care of the problem which was developing. The Minister of Labour can explain what was done to better effect than I can. It was to assure those who were working in the packing plants that if they remained there they would have protection against the regulation that they must return to the farm in the spring, provided that they themselves were agreed that they should remain in the plants. That, of course, did not fully take care of the matter because some of them had already gone home and could not return to the plants on account of the labour situation on their own farms. At that time I took the trouble to interview Mr. Robert Gardiner, president of the United Farmers of Alberta, and suggested to him that the surest way of dealing with the problem was for farm labour to be so organized that we could utilize as much as possible of it in the packing plants whether in the winter or in the summer months so long as it was needed there, the idea being that if we are to assure the farmers of a certain amount of labour to produce the live stock which is necessary for the prosecution of the war, the labour necessary to process that live stock is just as essential to the war effort and this indicates that the plants should be considered as part of the farming operations, so far as it was possible to do so. The Department of Labour got to work on the problem immediately, and that is the situation as it exists at present. The farm organizations in western Canada have been appealed to, to co-operate with the government in organizing that labour. Provincial governments have also been appealed to. They all have organizations working on it, and my understanding is that the problem is being dealt with as effectively as possible under the conditions existing.

In order to illustrate what has been happening, let us take the period from April 29 to May 13. At the plants at Vancouver there were seven fewer men working on May 13 than on April 29. In Alberta there were 117 more employees on May 13 than on April 29, 243 having been taking on and 126 having left, making a net gain of 117 employees. That does not cover the whole period with which I am now dealing, but it does cover a very considerable part of it. In Saskatchewan 172 had been hired in that period and 136 had left the plant. The Winnipeg position is that there are eighty-three more employed now than were employed before; and I put figures on the record to show that at about the period of this first date there were more men in these plants, taking them as a whole, than were in them in January. So that there has not been any decline in the amount of labour available at these plants; as a matter of fact there has been more labour put into the plants than has gone out of them, and the plants are operating to the best possible advantage. The total in so far as the position across the country is concerned is that there were 320 more employees in the packing plants on May 13 than there were on April 29, and I assume that an improvement has taken place over the past ten days.

Mr. CASTLEDEN: How many of these are women?

Mr. GARDINER: I have not the breakdown of that.

Mr. CASTLEDEN: The packing-house workers wanted equal pay for women who are doing equal work. I wish to know whether that principle is in effect in Canadian packing plants at the present time.

Mr. GARDINER: In view of the fact that the Minister of Labour and his department are dealing with this problem, which was put up to them by the Department of Labour, perhaps the minister would state in a few words what the position is.

Mr. MITCHELL: My hon. friend knows the situation in the packing industry. He knows there has been a tremendous increase in the production of live stock in this country. Speaking approximately, there are now 4,000 more people engaged in the packing industry than there were at the outbreak of war. I recently returned from the United States, where we had a discussion of problems affecting the agricultural industry, and a similar situation exists there. My hon. friend raises the issue of equal pay for equal work. The national war labour board has laid down certain guiding principles. The organization to which my hon. friend refers has the right to appear before either a regional board or the national board, whichever jurisdiction may cover its particular problem. I do not think the question is one which can be discussed in detail in committee of this house. Whatever case the applicants can make before the board, in conformity with the wage stabilization policy of this country, the board will consider and render a decision upon. If it is a regional board question the parties have the right of appeal to the national board, whose determination is final.

There was some talk, I believe, of a slow-down strike in a plant in Edmonton; I think it was the Burns plant. The matter involved was one of provincial jurisdiction, coming under what I think is called the wages and industry board of Alberta, and my information is that Mr. Clayton Adams, chairman of the board, discussed the issues involved in the slow-down in Edmonton; that the slow-down stopped last Friday; that at the present moment negotiations are taking place between employers and employees in that particular industry, and that it was expected that a conclusion would be reached to-day or to-morrow.

Mr. CASTLEDEN: I can take it from the minister's reply that the answer to my question is: no, there is not at the present time equal pay for women for equal work.

Mr. MITCHELL: My hon. friend is not going to put words like that in my mouth.

Mr. CASTLEDEN: Then would the minister just answer the question?

Mr. MITCHELL: That is all right; I know that is good campaign material out in the country, but the hon. member is not going to get away with that.

[Mr. Castleden.]

Mr. CASTLEDEN: And probably I shall not get an answer to my question.

Mr. MITCHELL: My hon. friend does not need to worry about that either. I was describing the process of labour negotiation in this country. I do not know neither does my hon. friend or he would not have asked the question what will be the outcome until this particular organization has made its case before the regional board in Alberta. If they feel that an appeal to the national board would be a just exercise of their rights, no doubt they will appeal. I do not think either my hon. friend or myself can answer a question of that description.

Mr. WRIGHT: The Minister of Agriculture stated a moment ago that he thought that some of the responsibility for the securing of this help rested with the farm organizations of western Canada, that they should supply some help from the farms to the packing plants. I cannot agree with him about that.

Mr. GARDINER: I did not say that some of the responsibility rested upon them. I said that they had been asked for their cooperation and that they had granted it.

Mr. WRIGHT: Absolutely. It seems to me that they might be made available in seasons of the year when they are not needed on the farms. But there are a number of industries in Canada which are less essential than agriculture.

Mr. GARDINER: Some of the fellows who come out of them would not be of much use, on short notice.

Mr. WRIGHT: They probably would have as much experience in the packing plants as some of the people who are taken from the farms.

Mr. GARDINER: Not at throwing something around as heavy as a hog.

Mr. WRIGHT: I have been through a great many packing plants, and I have not seen any man having to throw around a hog. To-day things are done pretty well by mechanism.

Mr. GARDINER: He is a lot better man if he can do it.

Mr. WRIGHT: No; strength is not the main factor. That is borne out by the fact that a number of women have been taken into these plants and are displacing men. I strongly suggest to the Minister of Labour that he make a survey to discover if there are not other industries from which men can be drawn instead of asking the farmers of western Canada to supply more labour, especially in the summer time.

Mr. MITCHELL: I am not going to get into a discussion of selective service, which

has been talked about in this chamber recently for just over a week. But let me tell my hon. friend that when it comes to the organization of man-power, the Department of Labour does not take a back seat to any country, excepting perhaps Great Britain, among the united nations.

Mr. WRIGHT: What happened with respect to labour for the unloading of grain in western Canada a year ago?

Mr. MITCHELL: My hon. friend talks about other industries. As I pointed out the other evening, we are just about at the bottom of the barrel. When nearly six out of every eight people between the ages of fourteen and sixty-five are either engaged in the fighting forces or in avocations necessary to the successful prosecution of the war, it gives some indication of the organization that has taken place of the man-power of this country. I do not know of a better organization to go to in western Canada or in Ontario on a question of this description than those with which the department has dealt; it is essentially a farm problem in its broadest sense. The farmers raise the hogs; the packing plants process them, and we have done everything humanly possible to supply sufficient labour for these purposes.

While I have not the figures in front of me, the contribution made by women in this industry and every other industry in the dominion has been magnificent. I said the other evening that we could not win the war without the contribution which is being made by the women of every one of the united nations.

Mr. CASTLEDEN: Do you give them equal pay for it?

Mr. MITCHELL: Let me say also that that contribution has been made possible by the leadership of this government and the cooperation of the people involved. The records indicate that. We sat in this chamber and listened to Madame Chiang Kai-shek when she said that the per capita production of the Canadian people was the highest in the united nations, which is an indication of the organization which has been taking place.

You could not know in advance the number of pigs that would be born this year. As I intimated when my estimates were before the house, I could put 160,000 people to work to-morrow morning in the higher priority industries of the country, which is an indication of the part that the Canadian people are playing in the present war. My hon. friend can rest assured that everything that is humanly possible will be done by the Department of Labour to support those engaged in agriculture.

Mr. GARDINER: In further answer to the hon. member for Yorkton, I have now a set of figures covering a little longer period than those I gave a few moments ago. The payroll on May 13, 1944, was 16,728 in these plants; the payroll on April 1, twenty-nine days earlier than the statement I gave, was 16,164. The difference there is an increase of 564 in the period from April 1 to May 13. That gives an indication of the numbers that the policy which is being followed under the efforts of the Department of Labour has produced in that period. With regard to what was said by the hon. member for Melfort, to the effect that we should find this labour somewhere else, I think he will find, if he discusses the matter with leaders of farm organizations in the west, particularly in Saskatchewan and Alberta, where the problem existed, that they are not inclined to agree, and there is a very good reason why they should not be inclined to agree with the statement that agriculture should not be appealed to on an occasion of this kind to do the best it can to man these plants with labour.

Mr. WRIGHT: I did not say that. I said that during rush seasons on the farm they should not be called upon.

Mr. GARDINER: My hon. friend said that the department should have been making appeals to somebody else. That is about as near to what he said as I can put it. The Department of Labour, of course, and this department did make appeals to others as well, but the particular appeal was made to the farmers, and the reason why that appeal was made to them was twofold. In the first place, there is no one who knows better how to handle live stock, apart from persons who have been running butcher shops and working in packing plants, than the farmers themselves, those who have been brought up on farms. Almost every farmer knows something about butchering, because he has butchered his own hogs and cattle from time to time and he knows something about it.

Mr. GRAYDON: The farmer has to know something about everything.

Mr. GARDINER: Yes. Most of them have some knowledge of most things, and there is one thing they must have that some others have not. They must, if they are to make their way in life on a farm, have a little muscle, and that is necessary, too, around a packing plant. But there is another reason why they are not only prepared to take part in this activity but extremely desirous of doing so, and every farm organization, as a matter of fact, is desirous of helping them to this end. No industry has been more criticized by farmers than the packing industry and

there is some reason behind the criticisms; but I venture to say that if one boy from every farm had an opportunity at some time to work in a packing plant for a while he would know more about the preparation of live stock, how to feed it and put it on the market than he does now. He would know more about the handling of it in connection with slaughtering for his own use and otherwise. Not only is every farm organization familiar with the fact that it would be of assistance to the farm home in western Canada to have someone who has had that experience, but farmers are also anxious that there should be a closer association between farm organizations, farmers in general, and the packing industry as it affects themselves than there has been up to the present time.

We hear a great deal of discussion from my hon. friends over in the group across the floor to the effect that all these plants ought to be run by the state.

An hon. MEMBER: Cooperatively.

Mr. GARDINER: Yes. Well, the best kind of cooperation I know of is the kind we are getting at the present time, where the farm boys are going into the plants and assisting in the running of them, getting to understand the running of them; and if at any time in the future they do take the notion that they would like to have cooperative plants run by their own people there will be at least some of them who will have had the necessary education to run such plants. Personally I am of the opinion that cooperatively run plants, whether so run as among farmers, or run as between the businessman and the farmers, are superior to any system of state ownership and control that could be set up either in western Canada or in eastern Canada to handle the problem. I am therefore a little surprised to find that two of the leading advocates of state ownership, control and operation of packing plants object to the fact that farmers are cooperating now in running them in western Canada, and no doubt intend to do so.

Mr. WRIGHT: As usual, the minister has set up a straw man and knocked it down. This group has never advocated state ownership of packing plants in western Canada; he knows that. We suggest that they should be run cooperatively for the people who are raising the stock and those who are consuming it.

Mr. GARDINER: The straw man always goes down hard enough to knock you straight up.

Mr. WRIGHT: What is more, I did not suggest that farm organizations in Canada should not cooperate in seeing that labour from the farms was made available to these plants in the season when it was not needed on the farms. That was the wise thing. But I do not think it is a wise thing that the people of western Canada, those engaged in agriculture, should be asked to supply men when they are needed on the farms, when there are other industries which are less essential from which this labour could be drawn. That is all I wish to say.

Mr. MITCHELL. It is all very well to say that; it looks nice when *Hansard* gets back home. But I would be glad if my hon. friend would tell me where we should get these people. That is the question I want to have answered. Do not pose the question; give me the answer.

An hon. MEMBER: No answer.

Mr. CASTLEDEN: There were three other questions which I wanted the minister to answer. One was with regard to the quantities of meat spoiled that had to be destroyed, another was with regard to sheep, and the third was with regard to the bacon market in Great Britain.

Mr. GARDINER: The quantity of beef that had to be destroyed?

Mr. CASTLEDEN: Beef and pork.

Mr. GARDINER: This question was up on my general estimates earlier in the session or on questions across the floor—the question with regard to a certain amount of meat in cold storage in Quebec city. I have in my hand a report made by Inspector G. A. Rose, assistant chief veterinary inspector, who went and made the inspection. This is dated January 4, 1944.

National Harbours Board,
Ottawa, Ont.

Gentlemen, on instruction from the Ottawa office I went to Quebec on January 20 and visited the cold storage warehouse of the National Harbours Board, Quebec.

Mr. LaFrance accompanied me while I examined the following meats which had been defrosted to enable examination:

2 veal carcasses.
1 lamb carcass.
1 mould boneless beef.
1 bologna sausage (visking).
1 meat loaf.
1 beef front quarter.
1 meat loaf.
1 beef front quarter.

I was informed by Mr. LaFrance that these meats had, until forty-eight hours prior to my visit, been stored in room 11A since September 15, 1943, at a temperature of 22° F.

On examination the meats were found to exhibit heavy mould formation on serous and cut surfaces.

In my opinion, if the meats examined were representative of the entire stock that had been stored in room 11A, treatment of the meats should be undertaken to render them fit for use as food since these moulds are generally superficial and not harmful.

The treatment necessary would include defrosting, removal of the mould by scraping and subsequent washing with vinegar or dilute acetic acid.

In some instances where the moulds may have proliferated into slits, gaps, vessels or cuts removal of the part so affected might be necessary.

These operations should be supervised by a person of experience and good judgment.

After defrosting as indicated above the meats should not again be frozen.

Yours very truly,

G. A. Rose,

Assistant Chief Veterinary Inspector.

From the time at which they were stored in the cold storage of the National Harbours Board, Quebec, none of these meats were under the supervision or control of the Department of Agriculture.

On information of owners:

Only 20,000 pounds (all veal) were actually spoiled and unfit for human consumption. The remainder was wiped, restored and part of it is yet in store. There probably was more than 300,000 pounds in store but only 20,000 pounds spoiled.

I understand that is the basis of all the statements or suggestions which were made the other day that hundreds of thousands of pounds of beef had become spoiled during this period. The fact is that some meat was placed for too long a time in a storage that was not suitable for the storage of meat of this kind. When one remembers what was said in this committee a few moments ago with regard to the great quantities of meat that is being turned in to the packing plants across the country in the form of cattle and hogs and finds that 20,000 pounds were spoiled at this particular plant, one is inclined to feel that somebody has done a pretty good job, and I am not saying that it is the government that has done the job. The job has been done by those who are running these cold storages and processing this meat from one end of Canada to the other.

A question was asked as to what the government has been doing in order to provide extra storage. Well, we have had on the statute books since 1922 or probably earlier than that a statute which provides that the government is prepared to pay thirty per cent of the cost of cold storage plants in Canada. When the war began we had considerable cold storage space provided in Canada, much more than we had been utilizing, and we had a shortage of finances with which to proceed at the time and a shortage of material with which to construct cold storages. Therefore, for a time activities under the act were slowed down and for a short period of time they were discontinued; but when a shortage of cold storage space began to develop the government again went actively into the promotion of cold storage under that act, and I was going to say scores—I am not sure of the number, but there has been a considerable number of cold storages that have passed in council in recent months for the payment of the thirty per cent, right from one coast to the other. At the present time cold storages are being constructed in every province for those who are concerned with this end of the business.

Mr. CASTLEDEN: The last question had to do with the present wartime salt curing of bacon going to Britain. Is that being continued?

Mr. GARDINER: Yes, and will require to be continued so long as we are not able to get properly fitted boats. The storage accommodation on the boats is not as good as it is in peace time, and in so far as the United Kingdom is concerned it is not our responsibility. Under the agreements ever since the war started the British take over the product from Saint John or Montreal. Immediately it goes on the boats it is out of our hands. That is a part of the agreement that probably is not sufficiently emphasized at times. The British take full responsibility for getting the meat across the ocean and for all storage and care of it after it arrives in Britain. We can only get reports on that; we have no responsibility for it.

Mr. CASTLEDEN: We have men carrying on inspection in the United Kingdom?

Mr. GARDINER: Yes, we have half a dozen men there.

Mr. CASTLEDEN: It does affect our market.

Mr. PERLEY: At page 3102 of *Hansard* of yesterday there is an answer to a question asked by the hon. member for Lake Centre. This answer gives information with regard to the grading of hogs. In reading that answer I find that there are many different grades. I have stated before that I do not think the grading system is satisfactory. While it may suit some parts of Canada, possibly the east, I think a lot of improvements could be made. Who grades the hogs and how are the graders selected to do this work? Are there any qualifications, or how do they get the position of grader? Then on the next page of *Hansard* a reference is made to the differentials that are paid after the bonus system was discontinued. It mentions a differential of forty cents per 100 pounds between A grade and B1 grade carcasses being paid after the discontinuation of the packers' premium. This is how the answer reads:

Following the discontinuation of the packers premium of $1 per head on A grade carcasses as at April 10, 1944, a differential of 40 cents per 100 pounds between A grade and B1 grade carcasses was agreed to, with prices paid for other grades to be determined by, and based on, actual value.

Who sets the differential on the grades under the B1 grade? I should like the minister to

catch this last question: Is there a uniform differential paid by the packers throughout Canada? With respect to the question of its being based on actual value of certain grades and that bonuses are paid, who determines the actual value of a graded carcass? Who does the grading?

Mr. GARDINER: The answer to the first question is that the government inspectors do the grading. There is at least one government inspector in each plant and they do the grading.

Mr. PERLEY: What is the qualification?

Mr. GARDINER: The qualification is a lot of experience, knowledge of the product. Practically all the inspectors are graduates in animal husbandry of some of our agricultural colleges. They get their qualifications by that method. The question of grades as submitted in the answer to the question asked by the hon. member for Lake Centre, which was placed on *Hansard* yesterday, is referred to. I call attention to the fact that under the old system of grading there was C1, C2, C3, D1, D2 and D3. Under the present system there is A, B1, B2 and B3, as there was under the old grading system, but there is one classification of C and one classification of D. The other descriptions of grades are much the same as they were before. They have to do with specialities such as lights, heavies, injured, ridglings, stags and sows. There is not much you can do about the classification of grades there, but there has been a cutting down on the number of grades by making one C and one D as against these C's and three D's as before.

On the question of the establishment of values it will be remembered that the old system was established not by the government but at a meeting held in 1922 between the producers and the representatives of these packing plants. At that time a conference was held, and after discussion a plan was agreed upon. They set up what was known as a swine committee, which acted in connection with the grades over a long period of years. At that time they decided that in order to promote the production of high-grade hogs it would be a good thing to have a premium of $1 paid on select hogs, and this premium was continued on the same basis after rail grading came into effect. That premium of $1 was in addition to what was known as the basic price; and the basic price was the same for B1 hogs as for A hogs. There was no premium on B1 hogs; there was a premium of $1 on A hogs, so that the producer of A hogs got $1 more for his hogs than the producer of B1 hogs.

In January we announced a change in the system of grading, and it took us until April to get the new system into operation. At the same time we announced that there would be a change in the payment of premiums, which in future would be paid by the government. Previously the premiums were paid by the packing plants, but the premiums were obtained out of the transactions in connection with hogs throughout the range of the different grades, by taking from those who brought in undesirable hogs a certain amount of money by means of discounts and paying a similar amount of money to those who brought in selects. In other words, the man who brought in both heavies and selects probably would be discounted on the heavies and paid a premium, from the same money, on his selects. However, if one individual brought in all selects while another brought in all heavies, the money taken from the latter individual would go to make up a fund from which the premiums would be paid to the other. We changed that system; we decided that the government would pay the premiums, just as we have been doing with cheese, and that in future these premiums would be $3 on grade A hogs and $2 on grade B1 hogs.

In our contracts with Britain there is a real differential in the payment for the different grades of bacon coming from these different grades of hogs, so that it was thought a real value should be established in connection with both grade A hogs and grade B1 hogs. Therefore we asked the representatives of the producers on our advisory meat committee to give consideration to the question; we also asked the packing plants to consider it, and as a result of the discussions that took place between the two groups and the representatives of the government the present plan was decided upon. Under this plan we take the $1 which was originally paid as a premium, which was found somewhere in the marketing of all the hogs, and distribute it over both the B1's and the A's, on the basis of an actual value of about fifty cents per 100 pounds of slaughtered hog. We decided that this should be divided in the ratio of ten cents on the B1's and 40 cents on the A's; so that the new price basis is the old basic price plus 10 cents for B1's and 40 cents for A's. In addition the government pays a premium of $3 on the A hog and a premium of $2 on the B1 hog. It was further decided that the $2 and $3 premium should go out in the form of a warrant attached to the settlement the farmer gets from the packing plant. Now he obtains his payment for the hog and the premium at the same time, and it is clearly indicated on the statement that the premium is paid by the government and is in addition to the actual market value of the hogs upon which it is paid.

Mr. PERLEY: Is there then a uniform system of differentials throughout all the packing plants?

Mr. GARDINER: Yes, there will be, at a given point. The price will be different in Winnipeg from the price in Toronto, but at each point the price is uniform. The differentials are the same throughout.

Mr. PERLEY: How has it worked out since the change was made on April 10? Is it working to the satisfaction of the producers and those marketing hogs?

Mr. GARDINER: Of course the system has not been in operation very long, but up to date there have been no complaints with regard to it.

Mr. PERLEY: Then would the minister say that the system of grading is generally satisfactory throughout Canada?

Mr. GARDINER: Yes, I would think so.

Mr. HLYNKA: I raise no particular objection to the way things have been handled or the way they have been going on during the war period. I believe most of us will agree that in times such as at present it is not so easy to handle everything to the satisfaction of everyone. At the same time we should seek to eliminate all the irregularities and irritations which may be found in the present system in regard to the production and sale of meats. As most hon. members of this committee are aware, I am not an advocate of the nationalization of industry. At the same time I would point out that prior to the war the profits which accrued from the sale of bacon and beef, in particular, went perhaps more to the plants and less to the producers themselves. I have in my hand a pamphlet entitled, "Price Spreads and Profits in the Pork Packing Industry". At page 6 I find this interesting paragraph. This pamphlet was published in 1941—

Mr. MITCHELL: By whom?

Mr. HLYNKA: By John Proskie, B.Sc. (Agr.), M.A., agricultural economist; it was published in Edmonton. I believe that the figures quoted were taken from those issued by the minister's own department and the bureau of statistics. This is what Mr. Proskie has to say:

> During the period 1923 to 1939 inclusive, a seventeen-year period, the packing plants in Canada fulfilled the function of slaughtering and processing in their plants, 84,411,009 animals, which were valued at $1,663,251,100. The average fixed and working capital used by the packers to carry on this colossal business was approximately $58,000,000, of which approximately $30,000,000 was fixed in the form of land, buildings and equipment, and the balance in workable capital. The gross return on capital realized by the packers during the seventeen-year period, after labour, management and cost of animals and materials was paid for, was $272,085,154, or an average of $16,005,009 per year. Taking into account the total number of animals killed and taking the gross profits into account, it averaged at $3.22 per animal, a fairly substantial spread, after labour, management and cost of materials used were paid for.

It seems to me that prior to the war something should have been done to see that the farmer and not the packing plant was the beneficiary. It is all very well to speak about the marketing situation and the production of meats during a war period, and the minister has painted a fairly rosy picture of the situation which some people may take at its face value. But on looking through the *Financial Post* of May 20 I find an article by Kenneth Wilson, Ottawa correspondent, who went to Great Britain to see for himself how things were going on in connection with marketing. He makes this statement:

> One authority with whom I talked expects that two months after the European war Denmark will be ready to negotiate with Britain on post-war bacon sales. The same authority thought the Danes would be in the British market in a big way within two years of war's end.

Farther down he says:

> They emphasize one important point, seldom discussed in this country: namely that Denmark will always have the edge on Canada, so long as the bulk of Canadian export bacon comes from grain-fed hogs and has to compete with Danish bacon which is complementary to a dairy industry.

And he makes this statement:

> The important point is that Canadian bacon, as now delivered in Britain, does not, in the view of the trade, rank as high as that of Denmark, even in spite of the strides made in the Canadian industry in recent years.

He gives the figures of our exports down to the end of 1943 and goes on to say that we may be able until the end of the war to sell about 400,000,000 pounds annually. He then says:

> Some of the big distributors with whom I talked remarked on the deterioration in quality of Canadian bacon.

On more than one occasion the members of this committee have heard the minister express the view that the Canadian farmer was holding his own in this particular field. As a matter of fact many Canadian farmers are being docked for overweight in order that a better grade of bacon may be produced. When that happens it is rather discouraging to read statements of this sort.

Mr. MITCHELL: Is Mr. Kenneth Wilson an expert on agriculture?

Mr. HLYNKA: I do not know Mr. Kenneth Wilson personally, but the way in which he sets out his information in this article—

Mr. MITCHELL: What paper?

Mr. HLYNKA: The *Financial Post* of May 20, 1944.

An hon. MEMBER: You cannot disagree with that.

Mr. HLYNKA: The reason why I attach the value I do to this article is that it seems to be compiled fairly well, and the statistical data he gives checks with what I have read in other publications.

Mr. BLAIR: Who publishes the *Financial Post*?

Mr. HLYNKA: I am sure that the publisher of the *Financial Post* is not a Social Crediter; he may be a Liberal. The fact is that when our farmers produced bacon which was too fat they were docked for overweight. With the experience gained in this war the farmers of this country should be assured a post-war market. This article states that prior to the war Denmark filled about sixty per cent of the needs of the British bacon market, Canada filling only from eighteen to twenty per cent. Great Britain should be Canada's best bacon market. But unless we are able to produce the quality of bacon that the British people want to buy, our farmers will find themselves in the position in which they were prior to this war. Every hon. member from western Canada knows that the situation was desperate at that time, and statements have been made on the floor of this chamber that we will never go back to pre-war days. Yet the situation seems to be heading that way. I suggest to the minister that he and his experts should see to it that matters are worked out in such a way as to guarantee a fair share of the national income after the war to our farmers.

I do not want to raise any particular objections to the present state of affairs at this time because I think we must all recognize that to run any department during war time is not an easy task. The Social Credit party is not endeavouring to fight a Saskatchewan election in this chamber, although other gentlemen may seem to be concerned with that particular issue at this time. We are merely placing our views on this subject before the committee because we believe that this matter is of importance to the farmers of Canada.

I should like to say a word about beef marketing and the embargo placed upon the movement of beef to the United States. Not long ago I had an opportunity of visiting our good neighbours to the south, and not once during my four days' stay there did I see beef on the menus of the restaurants. Yet this afternoon the hon. member for Lethbridge and the minister were matching arguments as to the true situation concerning beef. When the minister and his department found that they were unable to market all the beef produced, surely they could have made arrangements within twenty-four hours to sell to the United States what beef they could not otherwise dispose of.

The farmers of Ontario were calling mass meetings and getting together from one end of the province to the other, sending resolutions to this government to lift this particular restriction so that they could sell their beef to the people in the United States who needed it at that time. But no action was taken. Our people were told to take their cattle back home when they brought them to the market. That sort of situation cannot possibly be justified. Surely we should have taken advantage of every opportunity to sell what we had to sell, and the people of this country are in a position to produce more if more is required.

The Minister of Agriculture said that he was unable to forecast what was going to happen in the future, that everything depended on the law of supply and demand. That is an old story, Mr. Chairman, and it will not stand the test now. In the first place our people must have all the food that they require, and our farmers are ready to produce all the food that our people can consume. But in order that the farmers may buy the commodities which they need in order to get along, they must be able to sell some of their surplus products to other countries. That subject has been discussed by members of this group on many occasions. The government has always maintained that unless we are able to export our surplus products to other countries, then our own people in Canada must go hungry because we shall have no money. After this war we must get down to brass tacks and assure the people of Canada that they will never, never go hungry again because we can produce all the foodstuffs that we need and still have a surplus to export to other nations. That is the first thing we must ensure. Second, we must be ready to exchange our surpluses with other nations. This talk that goes on from time to time to the effect that everything must be based on gold or some other fictitious basis will not hold water after this war. Mr. Wilson, when he was speaking to one of these gentlemen, was given a plain indication of what might be expected. He was told: "We will buy all the bacon and cheese and wheat you want to sell us, provided that you buy a like amount of British products in return." We must recognize the fact that exchange of goods is the basis of all trade. To repeat, we must first of all produce to satisfy the needs of our own people. Second, we must export our surpluses in exchange for the goods we need. If the minister can assure our people of those two things, this committee and the people of Canada will not blame him for the difficulties that may arise.

Mr. BURTON: It is quite apparent from the remarks of the Minister of Agriculture

that his idea of cooperation does not agree with that of some of the rest of us. I am quite certain that we farmers and all our farm organizations are prepared to give the packing plants all the cooperation the minister speaks of under the present circumstances, but we regret we did not have leadership coming from him in trying to bring about cooperation when the packing plants were making the greatest profits in their history while the farmers were receiving almost nothing for the things they produced.

Mr. GARDINER: When was that?

Mr. BURTON: To go back to that, it was when the Minister of Agriculture was premier of Saskatchewan.

Mr. GARDINER: No; in 1932 I was leader of the opposition. Your party was in power in Saskatchewan at that time.

Mr. BURTON: We hear this talk about cooperation now when we farmers are already overburdened and have little to cooperate with. But when there is talk of cooperation to ensure that the farmers may share in the wealth they produce, too often the talk of cooperation is missing. However, that is not what I rose to say.

The hon. member for Vegreville might think I am making a pre-election speech because I really rose to express my appreciation to the Minister of Agriculture for the information which he has given us under this item. He has given us much clearer information than did the Minister of Labour, who left me up in the air; I could not tell, after he got through, whether or not women in the packing plants are getting equal pay with the men for equal work. The Minister of Agriculture did a better job because I at least understood some of the things he told us.

I am going to make another statement to which some hon. members may take exception. If the prices we farmers are receiving for our beef cattle to-day had been received during the years gone by, there would have been little if any complaint. Only twice in the forty years that I have been on the farm in the district from which I come have there been such handsome returns from the production of beef cattle as there are to-day.

Mr. EVANS: Perhaps you did not raise the right kind.

Mr. BURTON: Both of those times were times when we as individuals and as a nation had to pay a tremendous price. Why is it only in war time that we can get a decent return for the products we produce on the farm? That is what strikes us farmers. In between these two wars there were times when you could produce cattle and keep your head above water. But it was only in these two wars that, taking all costs into consideration, the farmers could get a good price for their cattle.

In the discussion which took place this afternoon between the minister and the hon. member for Lethbridge, one thing which I did not think the minister entirely cleared up was the position of those people who have been feeding cattle. Everyone remembers that only a few years ago farmers and feeders were called upon to exert themselves to the limit to increase production of beef and pork. Feeders were called upon as well as the rest of us farmers to do what they could. I submit that when these people were prepared not only to carry on their usual operations but to expand them, provision should have been made to enable them to "take the bumps," so that they could operate properly and efficiently. We were told that meat was needed. Meat was raised. We were told that it was of the greatest importance that we farmers produce as much as possible, and feeders were included in that class. I might point out that when the Minister of Munitions and Supply needs something for the war effort, he sees to it that those who are called upon to produce for the good of the nation are protected against loss. Why was a similar arrangement not made on behalf of feeders of beef cattle?

There is another point in this connection which seems strange to me. We had a publicity campaign the object of which was to have us produce more and more, but apparently the increased volume which resulted caught the department entirely unawares. They seemed to know nothing about it until the glut was so heavy that they could not move any more; then they realized that something was going on.

If I have a criticism to make of the department it is in that connection. I believe that they should have had their ear to the ground and that their eyesight should have been a little keener to know what was going on and make a certain amount of provision for it.

In connection with beef, the minister mentioned the different grades—blue label, red label and so on—which go into the meat-handling establishments. It seems strange to me, however, since I have come to the city, that the beef which has been served to me almost invariably reminds me of the kind of beef which came from cows that were in the condition to which the minister referred this afternoon. It is a long way from the kind of beef to which I was accustomed out west.

Mr. JACKMAN: You aristocrats!

Mr. BURTON: If you go to the meat-handling establishments you can call for certain grades of beef. When we come to pork, the minister's department seems to have a fairly effective inspection of the plants which we supply. I can assure him that it is not a

very good feeling when, upon delivering your hogs, you find that some of them are three pounds overweight and you are docked three dollars, or at the rate of a dollar a pound.

Mr. GARDINER: That is all gone.

Mr. BURTON: That is all gone, but it is something we had to contend with, and some of us farmers do not forget these things so easily.

Mr. CASTLEDEN: The grading is tougher now.

Mr. GARDINER: The government did not do that.

Mr. BURTON: We were docked at that rate, and not so long ago. I could still hunt up the old slips to show you.

Mr. GARDINER: That was under an arrangement entered into between the producers and the packers; it was not a government arrangement.

Mr. BURTON: Yes. But here is the point. We have to operate under these arrangements as they vary from time to time. There is still quite a loss to the farmer if he cannot get his hogs off at the right time. They are graded as they go through the packing plants. I quite agree that grading should take place and I am content that this inspection should go on, but the point I would bring to the minister's attention is that we are graded so fine when we produce our hogs and deliver them to the plant. A railway man told me at one time that if it continued the way it is now we farmers would soon be sending our hogs to market by parcel post, because it was almost impossible to get them fine enough for the grade line, and consequently we would be shoving them off individually instead of in lots. But when consumers of meat go to the butcher shops or the meat-handling establishments, where can they ask for the thick smooths, the extra heavies, the B-1's, the AA's, and so on? We take our cut when we deliver a hog which weighs a few pounds overweight, but neither I nor any other consumer has the privilege of stepping into a butcher shop and saying, "I want a slice of bacon or a cut of ham from an extra heavy hog". That is a condition of things to which we object, and object most strenuously. We accept our cut in an endeavour to get the standard of bacon up to what the department says it must be so as to carry on our export trade.

Mr. GARDINER: I am sure the hon. member does not want to misrepresent the matter. There are different grades of bacon in the butcher shop. I believe there is a difference of $3 or so between top grades and seconds.

Mr. BURTON: Quite true. You have side bacon, different kinds of bacon, and different kinds of pork that you can buy. In the case of beef, which is finished up to a certain degree, you have red label beef and blue label beef, and again you have the ordinary butcher variety, as one may say; but as regards pork there is no such choice, and the consumer has not that benefit. That is one of the points I wish to bring to the minister's attention.

Mr. CARDIFF: With reference to the minister's statement yesterday, who sets the difference in price between the different grades of hogs? At page 3103 of yesterday's *Hansard* the minister made the following statement:

> Following the discontinuation of the packers premium of $1 per head on A grade carcasses as at April 10, 1944, a differential of 40 cents per 100 pounds between A grade and B1 grade carcasses was agreed to, with prices paid for other grades to be determined by, and based on, actual value.

Who sets that actual value?

Mr. GARDINER: There is really no established price on all the different grades of hogs. The price of heavies may be a little higher at one time than another because there is a scarcity of them and a demand for that type of pork. They may vary, but there is no definite set price that must be paid for heavies in any particular market. If there are too many heavies the price will be lower, and if there are not enough heavies it will go up somewhat. The variation takes place, but there is no hard and fast rule. As a matter of fact, competition on the market retains the position pretty well. People buying for a particular market bid against one another, and the tendency is for prices to be much the same as a result of the experience they have on the market. But there is no one who says that such and such has to be the price.

Mr. CARDIFF: I do not think the minister has answered the question. I am still at a loss to know how the price is set. That is what I am trying to get at.

Mr. GARDINER: The basic price of hogs since the war started has been pretty well set by the agreement with Britain which takes from seventy to eighty per cent of the product, and that has set the floor price ever since we entered into these contracts. Early in the war, when there was a scarcity of pork on this market, because we were taking great quantities off and sending them to Great Britain, the price of pork sold in Canada was much higher than the price obtained for the pork that went overseas, and the price on this market therefore averaged somewhere between those two prices. Since we have had price control we have set a ceiling for pork, not for hogs but for pork, and we have gradually raised the price of the British contract until to-day there is not a very wide margin

between the price that can be obtained on this market when you are at the ceiling and the price that is obtained for the pork which goes into bacon and ham that go overseas. So that there is little variation in the price. It varies a little up and down, probably above five cents, but that is as much leeway as they can take between the ceiling and what is now the floor constituted by the agreement. Therefore the price stays almost at one level. But that is the method by which it is set. It is the relationship between the ceiling price and the price we are obtaining for the seventy or eighty per cent of the hog products sent to Britain.

Mr. PERLEY: What is the basis used for arriving at the penalties on the lower grades, and where does the packer come in in assessing the penalty or arriving at it? Does the packer have a say?

Mr. GARDINER: There are no penalties now. They were done away with in the present system of grading. There is a price established in the manner I have indicated, a basic price so far as B1's are concerned. There is a higher valuation placed upon A's and there is a lower valuation upon the grades that run down from B1. When you get into the heavies and lights the price that is established there is governed by the supply of them into the market as related to the B1 price. Most people prefer what comes from cuts of B1 hogs, but there are people who want the heavier hog. It depends on the number of people who want the heavy hog as compared with those who want B1 as to what the price will be for heavy hogs.

Mr. WRIGHT: Is it not a fact that most of the pork consumed in Canada is from the light and heavy grades? Most of the export, the seventy per cent of exports, is usually from A and B1 grades, and the packers I believe receive probably more money from lights and heavies sold on the domestic market than they do for what is exported. Is the money made on lights and heavies on the domestic market used to subsidize the export, or is it clear profit to the packers? I ask that question because they do sell these grades at a higher price on the domestic market than they get for the export.

Mr. GARDINER: Not very much higher now. They did earlier in the war. The ceiling price based on the actual price that did exist in the fall of 1941 has been established under the prices board. Since that time there has been very little upward movement. At the same time, there has been every year an increase in the contract price of the pork that is going to Britain, which has resulted in the floor established by that agreement gradually drawing closer to the ceiling. Today it is so close to the ceiling that there is not very much room for variation, and while lights may be bought at a slightly lower price than B1, which would leave a wider margin as between the ceiling and the price purchased at, and heavies may be bought at a lower price, still my understanding is that under the ceiling prices set, there is a lower price set for heavies, but there is no lower ceiling price for lights, so that there is a possibility of a person purchasing lights and making a bigger profit than he would if he purchased A's and B's. Of course, we are anxious to get A's and B's into the plants where they will be processed and sent overseas. That is one of the reasons for paying a $3 premium on A's and a $2 premium on B's. They must be inspected by our inspectors before that premium is paid, and that means that most of it must come into the plants where it can be processed and sent overseas. But the other product sold on this market is ruled by competition in buying and selling.

Mr. PERLEY: Is it not a fact that the packers get a certain quantity of high-class bacon out of C and D grade hogs?

Mr. GARDINER: The statistics show that they do not. The bacon and ham that come out of A's and B's are practically all covered by high standards of bacon.

Mr. PERLEY: Is there any particular way of checking the packers?

Mr. GARDINER: It is all inspected at seaboard and checked as to grade.

Mr. PERLEY: The inspectors must be pretty good, because I happened to be on the train with some of the representatives of the packers coming to Ottawa on one occasion and they had samples of bacon that had been taken from five or six different weights of hogs. You could not tell the difference. In fact they admitted to me that they could take so much of A or a higher grade of bacon out of a hog weighing from 250 pounds down. They did not make any bones about it. That was not last year or this year, but a year or so ago.

Mr. GARDINER: I think that is the old story, but you have to trim a lot of that hog before you get the bacon out of it, and it may be sold at a very much lower price than the other.

Mr. PERLEY: They could sell a lot of that right at home. As one hon. member stated a while ago, I think the Canadian people are eating a lot of that stuff and paying more for it.

Mr. GARDINER: Somebody is eating it.

Mr. SENN: There is one more point I should like to bring up before this item passes. The minister referred to it a moment ago. Since the new regulations came into effect and a $3 premium is being paid for grade A bacon and $2 for grade B the local butchers have been practically put out of business. I know the minister has had representations made to him by the local butchers because they find themselves unable to buy their hogs and pay the premium owing to the hogs not being graded. Representation was made to me from one particular county asking that a local grader be provided if a hundred hogs or more could be found in that locality for grading purposes. If that were done the farmers could sell their hogs to the local butchers who in turn could sell to the local trade in the smaller towns and villages, and the farmer would enjoy the premium. In nine cases out of ten if the farmer does not get the premium he will not sell to the local butcher. Has the minister given any thought to any scheme which would help out the local butcher in this way? As conditions are now it means that they are being practically put out of business. The trade is all being driven into the hands of the packing houses. It is all very well to say that we need the hogs for bacon for Britain. It seems too bad that the Canadian people have to eat the lower grades of pork all the time, either lights or heavies or other classes which can be purchased and which would not get any premium in any event.

Mr. GARDINER: We did give consideration to that matter when the present plan was set up. The provision we made was that wherever an average of fifty hogs are being slaughtered each week—

Mr. SENN: In one plant?

Mr. GARDINER: In one plant at any one place. If two or three butchers could make arrangements to have their hogs slaughtered at one place the government would provide an inspector who would check the hogs. There must be some limitation somewhere. It is not possible to have government inspectors for half a dozen a week or ten a week, and the point at which we made the division was fifty. We say that where there is an average of fifty hogs a week being slaughtered we make provision for inspection. There are some places where it is most difficult even to carry out that arrangement, and that is because of the nature of the plant that is provided in which the killing is done. It is impossible to have killing done just in any place, out in a shed that is put up on some farm or in some small place where the facilities are not such as would take care of the sanitary conditions. These hogs must be properly inspected and proper care taken with regard to disease before they are turned into the packing plants where food is being provided for so many people. Some care has to be taken with regard to that. Apart from that I think the matter has been dealt with fairly satisfactorily. In the last few months I have found some complaint in Ontario. I have had butchers come to me, half a dozen at a point, and discuss the matter, but most of the difficulties that have arisen have been corrected, to a degree at least.

After having said that I will say that I think most butchers in most parts of Canada are getting their supplies in the same way that they always got them, and that under the ceiling prices which are arranged in the different parts of Canada they can buy possibly mostly off-grade hogs, and can pay a sufficiently high price for them under the ceilings to be able to carry on their butcher business and cater to the kind of trade which they have in their district. I quite agree that in places where there is a packing plant and where there is a number of people who kill in a small way roundabout it is more difficult for those men to carry on than it is in some other sections; but again it is easier for those men to make arrangements to have their hogs killed in the packing plant if there is one in their vicinity. Therefore the matter is taken care of in that way. One difficulty that I have run into, and where it has been almost impossible to make satisfactory arrangements, is where persons desire to kill in plants whose facilities are such that the packing plants would not allow those hogs to come in for processing because of what might happen in connection with their whole food products.

Mr. SENN: I was not making a plea for hogs that are going into the packing plants after having been slaughtered. I fully realize the difficulties that are in the way. It is very difficult to get government graders to go out to all these small places, but I had a proposition put up to me the other day. I do not know how the minister would consider it, but this is what it was. Some local man who is a fairly good judge of hog carcasses or the agricultural representative in the county could go around one day a week to eight or ten of those houses that are slaughtering for local consumption, and if he grades those hogs and shows that they are entitled to a premium as A's or B's that could be accomplished without very much difficulty. There are usually men in each of those places who are perhaps just as good judges of hog carcasses as the government graders. They could be hired very easily as part-time inspectors, say one day a week, to go around and grade the hogs. If that were done it would be very much to the benefit of the local butcher who

has been carrying on a butcher business for years and who now finds himself in difficulty because the only type of hogs that he can get is, as the minister says, the off-grade hogs.

Mr. QUELCH: Last year I received a complaint about the grading of hog carcasses. This year I received a number of complaints about grading dockage. It has become very severe. I received one letter which said that a 740 pound hog had been paid for at the rate of three cents a pound. Could the minister explain what a hog like that is used for? I should have thought if it were used for anything it would be worth more than three cents a pound. Is it rendered down or used as sausage meat?

Mr. GARDINER: It would be rendered down. I am afraid I had more trouble myself with a hog of that kind recently than the gentleman who wrote the letter. I had one that I estimated weighed 800 pounds. I sent him in to the cooperative at Winnipeg and lost him altogether.

Mr. QUELCH: What happens to the hog?

Mr. GARDINER: I have not been able to find out what happened to that one.

Mr. TUSTIN: I should like to ask a question with regard to the deductions that are made on hogs below grade B. As the minister said a few moments ago the $3 that used to be deducted has been wiped out under the new system. Is that in reality a fact? I am given to understand that in many cases where hogs are graded below B the deductions are greater than they were before. I am not certain as to whether there are as many grades now as there were before the present system came in. Apparently the government has set a basic price for grades A and B. What reductions are made for grades below B? If the regulations are not set by the government, who sets them, and are those reductions left entirely in the hands of the packing plants?

Mr. GARDINER: I am afraid I would not be in a position to give the prices for the different grades as they are established on the different markets, other than that the B1's on the Toronto market are, I think, about $17.25 at the present time, while the B2's and B3's are about twenty-five cents under that figure and the C's are about $16.60. I have the average prices for last week, as follows:

A	$17 60
B1	17 20
B2	16 95
B3	16 95
C	15 95
D	15 70
Light	15 70

Mr. JACKMAN: Would the minister amplify the statement he made yesterday to the effect that to-day we are sending Britain as much bacon and ham as she got from all the other countries of the world before the war. What was the total consumption of Britain in normal pre-war years? Then may I ask a further question. If Canada should be fortunate enough to send 900,000,000 pounds of bacon this year, would that have any effect on the four-year contract, which extends to 1947? Would that lessen the amount we might send under the present contract during the next three years?

Mr. GARDINER: The quantity consumed by Britain the year before the war began was about 1,400,000,000 pounds. Of course she is not consuming that much now; her people are rationed. I have not the exact figures before me as to the British consumption at present, and what part of that consumption we supply, though I could obtain them. The Americans are sending some, but the greater part is sent from this country. I understand that about sixty-two or sixty-three per cent of their hog products comes from Canada, but about eighty per cent of the bacon and ham is sent from Canada. The Americans are sending more of the fat type of hog in the form of pork than we are sending from this country.

On the other question, the answer is that it would not make any difference in succeeding years if we should send over 900,000,000 pounds this year. Under the new agreement which is being negotiated we would still supply 500,000,000 pounds next year, as a minimum; and if they required as much next year as this year we could send over another 900,000,000 pounds next year if we had it. I do not know whether the hon. member was in the house this afternoon when I corrected the statement I made last evening. I said I had been wrong in stating that final agreement had been reached with regard to the years 1946 and 1947. I discovered this morning that those negotiations are not complete, and that we are not sure of the quantities and prices for those years. As far as 1944 and 1945 are concerned, however, while I doubt if we shall send over 900,000,000 pounds this year, though we may come fairly close to it, even if we do we shall still have 500,000,000 pounds to send over next year, and anything more Britain requires in addition.

Mr. STIRLING: But still this is to be a four-year contract?

Mr. GARDINER: We are hoping it will be. We may have to make some adjustments; discussions are going on, but we are hoping that it will be a four-year contract.

Mr. JACKMAN: Could the minister amplify at all what may happen in 1946 and 1947? If he cannot say definitely that 500,000,000 pounds will be the objective, could he say whether it will be more or less than that amount?

Mr. GARDINER: In spite of what was read by the hon. member for Vegreville, I am quite satisfied in my own mind that Britain will still want at least 500,000,000 pounds in 1946. I should be sufficiently satisfied on that point that if we could not make a satisfactory agreement now covering the four years, we should not be in too much of a hurry. Conditions that may exist three or four years from now are uncertain so far as the British are concerned, as they are uncertain so far as we are concerned, and I would not be in favour of agreeing to an arrangement now which in two years we might find not in the interests of our people. If it gets too far over in one direction I do not think it would be good policy on our part to enter into an agreement now for the longer period of time. If it gets to the point where we think it will be to the advantage of everyone concerned to have the agreement made now for the longer period, of course we shall sign the agreement.

Mr. CASTLEDEN: Then do I understand that there is not a four-year contract at the present time?

Mr. GARDINER: At the moment there is not a four-year contract signed; I corrected that statement to-day, and said that the final negotiations had not been completed.

Mr. CASTLEDEN: Then what are we operating under at the present time?

Mr. GARDINER: We are operating under the two-year contract for 900,000,000 pounds.

Mr. CASTLEDEN: Signed when?

Mr. GARDINER: Some time about February, I think.

Mr. QUELCH: Yesterday the minister expressed great surprise that hon. members did not know that an assurance had been given for the next four years, saying that it had been advertised all across the country. Now we are told that the contract is for only two years. Has he been advertising all across the country that it is a four-year contract?

Mr. GARDINER: I said that it had been advertised across the country that a four-year contract was under negotiation. Last night I thought I would be able to say to-day that it had been completed, but I find it has not.

Mr. QUELCH: Then is the minister in a position to give an absolute assurance that there will be a market and that we shall be able to maintain the price, despite the fact that the contract is for only two years? Certainly he was very much surprised yesterday that hon. members did not know of the four-year contract. To-day we are told that the contract is not in existence, so that apparently the hon. members who spoke yesterday were right.

Mr. GARDINER: Of course yesterday hon. members were not talking about a four-year contract; they were talking in general terms about assurances having been given the farmers that there would be a market. I dealt with more than hogs yesterday; I said that there was a two-year contract on eggs, a two-year contract on cheese, a four-year contract under negotiation in connection with hogs, which I thought was nearer conclusion than it is, and also a contract under discussion with regard to beef. All these matters are being considered by the government. It is not a question of losing sight of any of these things.

Mr. QUELCH: But we were arguing that the assurance should be for a longer period than two years, because a two-year period does not guarantee a farmer against the costs involved. We were urging that a four-year guarantee should be given. Now, even though a four-year contract has not been consummated, the minister does feel in a position to give the farmers the assurance that there will be a good market for the next four years?

Mr. GARDINER: I will give the same assurance I gave last evening, upon which I based the argument to which reference is now being made. I said that the Prime Minister had announced by radio, and other ministers had announced, that we were to have floor prices under farm products. That is the real assurance. That does not mean necessarily that we shall be able to sell the product at that price; it may mean that we shall have to take money out of the treasury after the war in order to give the farmer the floor return, whether or not the market can provide that price.

Mr. QUELCH: And I suppose it may mean that the guaranteed price will apply only to a certain quota. It may not mean that you will take an unlimited quantity at that price.

Mr. GARDINER: At the moment I should not like to say whether or not it may mean quotas; that is a matter which will have to be dealt with later. The main guarantee is that there will be floor prices under farm products.

Item agreed to.

Dairy products board—administration, $21,690.

Mr. QUELCH: Will the winter rates be continued during the summer months?

Mr. GARDINER: The rates were announced some months ago. The rate on whole milk, fluid milk, for the summer months will be thirty-five cents in the areas in which it was fifty cents in the winter time and twenty-five cents in those areas where it was twenty-five

cents in the winter time. So far as canned milk is concerned, the rate will be fifteen cents as against thirty cents which was paid in the winter months. The rate on cheese is twenty cents all year as against the thirty cent rate in the winter last year and nothing at all in the summer. The rate on butterfat is ten cents all the year through this year, and it was ten cents in the winter last year. It is correct to say that the rates are not as high on fluid milk, cheese and canned milk as they were in the winter last year, but they are higher on all these commodities than they were in the summer last year.

Mr. QUELCH: There will be the same rate on butterfat all the year?

Item agreed to.

Special products board — administration, $50,190.

Mr. WRIGHT: Some time ago I was inquiring with regard to participation certificates which were issued on purchases of alfalfa seed for export. When were these participation certificates authorized and what are the conditions governing them?

Mr. GARDINER: If my memory serves me aright, I placed on *Hansard,* either by way of an answer to a question or at the time the estimates were up, a list of those who were purchasing alfalfa seed.

Mr. WRIGHT: There was nothing placed on the record with respect to the regulations under which participation certificates were issued. Were they issued to all growers from whom the seed was purchased, or were they issued only to growers from whom seed was purchased for export? There was considerable difficulty about the matter in certain sections of the country, and it was stated that participation certificates had not been issued to all growers.

Mr. GARDINER: My understanding is that participation certificates were issued to all farmers who sold seed to the persons contained in the list placed on the record.

Mr. WRIGHT: Was it compulsory to issue participation certificates for all seed purchased after the date the order came into effect?

Mr. GARDINER: There seems to be some doubt as to whether it was compulsory. I imagine a man could sell his product outright if he wished to do so. I can sell my wheat outside the ordinary elevators at any price I like; I can dispose of it completely without getting any participation certificate. The same principle prevails here. If a man sells to a concern which is licensed by the government, he may get a participation certificate, but there is nothing to prevent his selling to anyone else.

Mr. WRIGHT: I do not know whether my information is correct, but I am told that some of these firms were purchasing seed outright and not issuing certificates. I was wondering whether they could do that.

Mr. GARDINER: I think they can if the farmer is satisfied to sell it. It is just the same as it was when we were pooling in the west. But the farmer has a right to get a participation certificate in advance if he desires.

Mr. WRIGHT: It seems to me that it should have been compulsory upon these people to issue participation certificates for the alfalfa they purchased after the date of the order. A number of farmers did not understand the situation thoroughly, and the information I have is that they sold their grain and then found out afterwards they could have obtained participation certificates which would have been worth considerable to-day. I am pointing this out to the minister in order that he may make an investigation. If the facts are as I have stated, in another year he should see that certificates are issued to all farmers from whom seed is purchased by the firms authorized to purchase. That would be the fair way to do it.

Mr. SENN: I suppose if a farmer did not want to take a participation certificate there was no reason why he should take it. Most of the farmers in my district did take participation certificates after the new regulations came out. The special products board quite early in the season, although not early enough, took over the export of seeds from Canada. They also set the price at which they would buy seed for export. Unfortunately that price was considerably below the retail ceiling price set by the wartime prices and trade board. The result was that the primary dealer, who bought the seed from the farmer, gave it a preliminary cleaning and then passed it on to the next dealer, usually a wholesaler, had to buy on the basis of the export prices which had been set by the special products board and which, as I have said, were less than the ceiling prices.

It is true that they set prices at the seaboard for different classes of seed such as alsike, red clover and alfalfa, and the primary dealers were forced to buy in accordance with those prices. They had no idea how much of the seed they purchased would go into the domestic trade and how much into export. There was a good deal of dissatisfaction among the farmers because they realized that the prices being paid were lower than retail ceiling prices.

It is true that participation certificates were issued and the farmers expect to get something from these, but I believe there was little

if any red clover seed exported, so that those participation certificates will be valueless. It is equally true that there was very little alfalfa exported, so that those participation certificates will not have much value. I suppose it is a little too early in the season to ask the minister what those participation certificates will bring to those who received them. I understand that a certain amount of alsike seed has been exported or will be exported before the season is over, and there will be a return to the farmers in that event. Perhaps the minister could give us an estimate as to what these participation certificates will be worth.

I think it is unfair to lay the blame upon the primary dealer for the lower prices that were paid. He had to buy in accordance with the export prices, and if any profit was made it did not accrue to him. It accrued to the larger houses who recleaned the seed and then sold it to the retail trade. I think it is only fair to the primary dealers to say this. I believe the minister will agree with me that if any blame was to be attached to anyone, it was owing to the fact that the special products board made more or less of a mistake in not placing a high enough price upon export seed.

Mr. GARDINER: All I can say is that there is an established price as has been suggested, and the dealer can pay any price at all up to that price. He gives an undertaking to give a participation certificate in any case where the farmer desires to have it, although he is not compelled to do so.

Mr. SENN: They did so in my district.

Mr. GARDINER: In some cases he pays a price somewhat below the top price that might be paid. My understanding is that he gets one-eighth of a cent a pound by way of commission for issuing the certificate. I would point out that grass seed is a thing that farmers buy as well as sell and I hope that they are not being billed any more for it than I have been billed if they want to plant it to make a pasture.

Mr. SENN: There is a price ceiling.

Mr. GARDINER: It is a pretty high ceiling.

Mr. WRIGHT: How does that price ceiling compare with the price received last year for alfalfa seed by the cooperatives in western Canada?

Mr. GARDINER: I was billed thirty-seven cents a pound for alfalfa.

Mr. WRIGHT: The ceiling this year was thirty-seven cents.

[Mr. Senn.]

Mr. SENN: The retail price as set by the prices board in lots of thirty-one pounds was thirty-seven cents for alfalfa, twenty-nine cents for alsike, thirty-four cents for red clover, early double cut; single cut, thirty-five cents.

Mr. GARDINER: That is commercial grass.

Mr. SENN: Of course, if the minister were using fancy grades it would make a difference, but the average farmer is not using that kind of grade. As long as it is clear of weed seeds, that is all he desires, provided that the seed is vital. The only point I wish to make is this. I think somebody did make a pretty handsome profit on the seed that went into domestic use in the country because the price ceiling is high enough to allow that. I know that in some cases the seed was not sold as high as the ceiling. In my own village it was not, but they made a handsome profit just the same. I should not like to see the primary dealers, who are performing a useful service to the farmer in collecting, cleaning and marketing the seed, blamed for paying a price that was too low.

Item agreed to.

Subsidies to producers of food products, $47,600,000.

Mr. NOSEWORTHY: Can the minister give any more definite information than was given yesterday in reply to a question by the hon. member for York-Sunbury as to the subsidy paid on potatoes?

Mr. GARDINER: No. I think it was agreed yesterday that that was a question which would have to be asked when the prices board estimates are before the committee.

Mr. WRIGHT: Is there a detailed break-down of these subsidies? I am not asking the minister to read it, but perhaps it might be placed on the record.

Mr. GARDINER: The break-down is as follows:

Payment of subsidies by agricultural food board on products delivered to distributors and manufacturers during fiscal year ending March 31, 1944.

(Refund made in April for March deliveries)

	To April 30, 1944
Fluid milk at 25 cents	$ 2,632,908 82
at 55 cents	6,289,085 60
Total fluid milk	$ 8,921,994 42
Butterfat at 8 cents	15,954,297 21
at 10 cents	3,050,353 30
Total butterfat	$19,004,650 51

Concentrated milk at 30 cents...	$ 638,675 61
Concentrated milk, March and April, 1943, at 25 cents.....	234,065 52
Total concentrated milk.....	$ 872,741 13
Cheddar cheese milk at 30 cents.	$ 1,171,557 64
Total milk and milk products..	$29,970,943 70
Canning crops.....	$ 945,441 06
Berries for jam.....	$ 261,025 06
Grand total.....	$31,177,409 82

Mr. STIRLING: How is the difference between that $31,000,000 odd and the $47,000,000 made up?

Mr. GARDINER: The $31,000,000 was for last year. The $47,000,000 odd is the estimate for the coming year. The subsidy payments estimated for 1944-45 are as follows:

Subsidy payments estimated for 1944-45

Subsidy	Rate	Estimated cost
Butterfat used for creamery butter.....	10 cents per pound butterfat.....	$28,200,000
Fluid milk.....	25 cents and 35 cents (summer)..... 25 cents and 55 cents (winter).....	11,200,000
Cheese.....	20 cents per hundred pounds.....	4,200,000
Concentrated milk.....	15 cents (summer)..... 30 cents (winter).....	1,400,000
Subsidy on fruit for jams.....		600,000
To producers of tomatoes, corn, peas and beans.....		2,000,000
Total.....		$47,600,000

Mr. PERLEY: Would the minister give us a break-down by provinces of the fluid milk subsidies paid?

Mr. GARDINER: I have not the figures for this year except by the months, which are not totalled. But the total amount paid in subsidies on milk for fluid use in all Canada in 1943 was $4,968,477. The other figures of subsidies paid are as follows:

	Milk for fluid use	Milk for cheese	Milk for manufactured use	Butterfat subsidy
	1943	1943	1943	1943
CANADA	$4,968,477	$800,270	$464,955	$15,724,915
Prince Edward Island	22,250	4,484	.....	231,166
Nova Scotia	188,775	.....	1,751	359,649
New Brunswick	136,304	2,747	.....	371,487
Quebec	1,314,072	301,261	128,965	4,825,545
Ontario	2,219,833	470,201	268,935	3,810,740
Manitoba	261,709	11,707	.....	1,721,330
Saskatchewan	137,188	1,881	231	2,286,856
Alberta	211,341	5,371	16,254	1,902,125
British Columbia	477,005	2,616	48,818	216,017

It will be noted that, in respect of milk for fluid use, Prince Edward Island and Saskatchewan are the provinces with the lowest subsidy.

Mr. STIRLING: I do not follow the figures of the break-down that the minister gave, because there seem to be so many omissions; for instance, all the subsidies on imported goods, tea, molasses, oranges and all those sorts of things.

Mr. GARDINER: Those are paid under the prices board in connection with consumers subsidies. These are only producers subsidies.

Mr. STIRLING: In the subsidies on domestic goods, besides those to which the minister has referred, there are eggs, groceries and things of that sort. Do they not come into this item of $47,600,000?

Mr. GARDINER: No; we do not pay any subsidies on eggs, that I recall. There is the milk subsidy, again paid to consumers by the prices board. That does not come into this.

Mr. STIRLING: Maple products, rye, vegetables?

Mr. GARDINER: Of course the vegetables are in this, $2,000,000.

Mr. STIRLING: Vegetables come in. Berries and jams and canning of produce, under canning?

Mr. GARDINER: Yes; canned vegetables, like peas, corn and so on.

Mr. STIRLING: The remainder of this return to the house comes under other items?

Mr. GARDINER: Yes.

Mr. STIRLING: What would the minister describe this forty-seven millions as?

Mr. GARDINER: It is producers subsidies, given for the purpose of getting greater production.

Mr. PERLEY: How much of a staff does it take to carry this on?

Mr. GARDINER: I understand that this is about the staff, sitting at this table, with two or three more, that handles this particular thing.

Mr. PERLEY: Well, if all the boards were correspondingly small I would be "tickled to death". I think it is a compliment to these men, and an achievement for other boards to work up to.

Mr. GARDINER: We sometimes get a little criticism for not having outsiders. Practically all of the work during the war has been done with our own staff.

Mr. BURTON: Would the minister explain this item under the heading, "agricultural food board, administration, $68,175"? I was comparing it with the corresponding item under the special products board, of $50,190. In respect of the disbursement of $47,600 the cost of administration is about the same as under the very small item of the special products board.

Mr. GARDINER: The special products board handles, of course, quite a number of different products. It deals with everything except meat, which is handled under the meat board. Dairy products are handled under the dairy products board. Everything else is handled under the special products board.

Mr. SENN: I think what the hon. member means is that, if there are only three or four people administering this particular item, $68,175 is quite a lot of money to pay.

Mr. GARDINER: In explanation of that I may say that there are the travelling expenses of our inspectors, a few of them, and also the travelling expenses of the advisory board that most members are very anxious we should have. That amounts to a considerable sum of money. We bring in people from all over Canada as an advisory committee for the food board, and they are brought in on a number of occasions.

Mr. SENN: Then you must have a larger staff than you indicated.

Mr. GARDINER: That is not staff. They are people who are brought in from around the country as representatives of provincial government and farm organizations.

Mr. PERLEY: The amount stated by the minister as expendable in Saskatchewan and Manitoba is so small that he will not require a large staff of inspectors to carry on in those provinces.

Mr. NEILL: Did I understand the minister to say that this is the item which covers the subsidy to milk producers?

Mr. GARDINER: Yes.

Mr. NEILL: Perhaps he can explain this situation. I am asking for information. Somebody moved for a return the other day, and it was brought down. What was asked for was a statement of the various market areas, I think they are called, and I see there is a large number of them throughout Canada, including several in British Columbia, but there is not any reference to Vancouver island. I know there are some payments made on Vancouver island; there must be one or more areas. Why was Vancouver island omitted from this return which was brought down?

Mr. GARDINER: The return is for the twenty-five cent market only; and I understand that all of Vancouver island is fifty-five cents in the winter and thirty-five cents in the summer. The reason why the island was not reported in the twenty-five cents return is that it receives more than the areas which are contained in that return.

Mr. NEILL: How would we find out about the fifty-five cent areas? Ask for a separate return? It would not have hurt the department to have covered both payments in the return.

Mr. GARDINER: There are 525 areas which are getting fifty-five cents; among them is the area of Vancouver island. Those can be listed, but it would be quite a list. I do not know whether anyone has an interest in getting them, but I think the best way to get this is to ask a question or ask for a return and have them all brought down in the return.

Item agreed to.

MINES AND RESOURCES

Mines and geology branch—development of tar-sands of Alberta. Remodelling and expansion of plant of Abasand Oils, Limited, $500,000.

Hon. T. A. CRERAR (Minister of Mines and Resources): The hon. member for Davenport (Mr. MacNicol) had some discussion on this matter when the estimates of the Minister of Munitions and Supply were before the committee. The hon. member for Davenport is absent to-day, and he indicated that he would like this particular item to stand until he is here. That is quite agreeable to me, and I suggest that we might take the next item.

Mr. PERLEY: That is all right. I was going to ask the minister one question with

respect to certain reports that I think are available and that he might have ready to bring down when this item is taken up. To preface what I was going to ask, I received a sample of the tar sands about the middle of March, and a certain person on his way to Chicago called and picked this parcel up, about a foot square, and took it to Chicago and had it analysed by an outstanding chemist there. He said that the extraction of oil was quite easy, that there was no difficulty about it, and he showed also that in the white sand there was a trace of gold, which was something new, something that had not been heard of so far in connection with tar sands. This person said that the government here in Canada had employed a Doctor Egloff in Chicago to do research work in connection with this tar sands development. My question is this. Is there a report from Doctor Egloff and, if so, will the minister give it to the committee when the item comes up next.

Mr. CRERAR: I do not know whether we have such a report. There was a concern in Chicago, Universal Oil Products, that specialized in this sort of work. That is the only concern there that I know of that had anything to do with it. What was the name of the gentleman?

Mr. PERLEY: Doctor Egloff of Chicago. The person to whom I have referred says that this professor had been employed by this government to do certain research work and that there was a report available on the subject which would be interesting. I have never heard of it, and I would ask the minister to look into this matter and, if such a report exists, to let us have it.

Mr. CRERAR: I am advised that the gentleman in question is with Universal Oil Products of Chicago, which company is doing research work on bitumen. Perhaps we might let the item stand.

Mr. JOHNSTON (Bow River): I understood that the minister would make a statement on tar sands. I would suggest that he give that statement now and let the item stand, and in the meantime we could examine his statement so that we might be prepared to discuss the question when the time comes around. I should like to have his statement and have a chance to examine it, and then we could have the debate later on. I am very much interested in this subject, having spoken on it on a number of occasions. I was in the minister's office and I went through a large file in connection with it. I understood that he would make a full statement on this subject, and if he would make this statement now and then let the item stand until such time as he desires to bring it up again, I think that would meet the convenience of hon. members.

Item stands.

Investigations of petroliferous deposits and of potential petroliferous areas in Canada, $145,000.

Mr. CASTLEDEN: This has to do with the investigation of petroliferous deposits in various areas in Canada. I suggest that we might have spent a little more and done a lot of the work, in the Northwest Territories and the Yukon, which is apparently being handed over lock, stock and barrel to other authorities. On May 5 of this year the minister tabled an order in council, P.C. 2904, having to do with the handing over of all rights for the exploration of oil fields of the Yukon and the Northwest Territories and practically all the oil-bearing territory of that area. At that time he gave a very full report in explanation of the first part of the order in council. It is interesting to note that in this agreement with the United States it is arranged that the United States government is, under this order in council, entering into a contract with a Canadian company for further exploration and development of the oil industry in that territory. Apparently there has been quite a bit of prepartion going on with regard to organizing and getting that order in council ready, because I find that order in council P.C. 742, which was passed on January 28, 1943, states that the governor in council:

> . . . on the recommendation of the Minister of Mines and Resources and pursuant to the powers conferred by the Dominion Lands Act and the War Measures Act, is pleased, hereby, to make the annexed regulations for the disposal under permit of petroleum and natural gas rights, the property of the crown, not disposed of under lease or permit specifically reserved by the crown by P.C. 4140, dated 18th May, 1942, to be effective immediately, notwithstanding the provisions of section 75 of the Dominion Lands Act.

On February 12, 1943, P.C. 1138 was passed whereby:

> The regulations for the disposal of petroleum and natural gas rights, the property of the crown in the Yukon territory, shall no longer apply to the area defined as follows.

And they take in the Yukon—a portion of it at any rate—and a portion of the Northwest Territories. Later, on March 26, 1943, there is an interesting order in council whereby:

> The regulations for the issue of oil and gas permits and leases in the Northwest Territories shall no longer apply to the area defined as follows:
>
> 1. The whole of the Yukon Territory.

2. Then follows the description in regard to the Northwest Territories, which takes in a part of the mainland of the district of Mackenzie, west of a line commencing at a point on the shore of Beaufort sea on the east side of Mackenzie river, distant seventy-five miles from the centre of the main channel of the east channel of Mackenzie river at the south point of Richards island, and a line following that down.

I submit that the Canadian people should be completely informed on the development of this area and upon the contents of this order in council. In the first place, we find that the agreement is entered into in this case between the United States government and the Imperial Oil Company of Canada. They are to do the exploring, but the Imperial Oil Company is controlled entirely by the Standard Oil Company of New Jersey which is a part of a world-wide combine in oil. So that it means that the United States are entering into an agreement with their own company and are given practically all the rights of development of the field in the Northwest Territories and the Yukon, and what the government gets out of it, so far as Canada is concerned, is extremely little in return for the great resources which are being handed over.

On page three of the order in council the area to be developed is:

> . . . a unit operation by the company, the oil produced therefrom to be disposed of by the company in the ordinary course of its business, the government's share therein to be sold at prices satisfactory to the government.
>
> (b) The government's share of the oil to be one-third and the company to be paid the actual direct costs of producing it, plus a fee of ten per cent.

It does not say in here how the actual costs are to be arrived at. Then the order in council goes on:

> (c) Subject to the prior and preferred supplying of all local requirements for crude petroleum and petroleum products, the company to have the right of giving an option to the United States government to purchase for its own use, but not for resale, an amount up to one-half of the oil recovered from the proven area, not exceeding thirty million barrels, the price therefor to be the cost of production, plus twenty cents per barrel. From its share the Canadian government will supply one-third.

I think P.C. 2904 is of sufficient interest to the people of Canada, since it has to do with one of their great natural resources, to warrant its being tabled and put into the records of this house. I therefore ask the permission of the committee to have P.C. 742, 1138, 2447 and 2904 placed on *Hansard*.

Mr. CRERAR: I do not wish to interrupt my hon. friend, but what he is talking about has nothing whatever to do with the vote we have under consideration. There is not a single penny in this vote that is in any way associated with the matter that he is discussing. There was a statement made in the house on May 5. I gave a very full statement to the house and at the same time tabled the order in council that had been passed a few days previously dealing with the development of the oil resources in the Mackenzie river area. The orders in council to which he refers were tabled from time to time previously in the house, and I do not see any reason why they should now be reprinted in *Hansard*.

I have not the slightest objection at the appropriate time to discussing the policy of the government and what it has done in association with the United States authorities in the development of the oil resources of the Mackenzie river valley. But, Mr. Chairman, it has nothing to do with this present vote because, as I said a moment ago, there is not a penny in this vote that is associated with the development.

Mr. CASTLEDEN: The particular item we are discussing has to do with the investigations of petroliferous deposits and of potential petroliferous areas in Canada. As a war-time measure we should have done this investigation ourselves with a Canadian company and reserved those natural resources for the Canadian people. I am sorry that instead of spending $145,000 outside that area we had not spent a million dollars or more in that area to develop the resources and to sell the product to whatever country wanted to buy it. The giving away of the birthright of the Canadian people in this way at this price seems to me to be wrong. Under this item I think we are dealing with a war-time emergency development, and with this order in council making this agreement with the United States government I think at least the Canadian people ought to have an opportunity of reading the agreement and the order in council which has to do with it.

Mr. CRERAR: I still repeat what I said a moment ago, that the vote we are considering now, this item of $145,000, has nothing whatever to do with the development that is taking place in the Mackenzie river valley. There is not the slightest objection on the part of the government to discussing at the appropriate time all the development that has taken place in the Mackenzie river valley country and the part the government has taken in it, not the slightest. I know that the questions brought up by my hon. friend may make some headlines in the papers and perhaps in certain places have some useful results, but it is—

Mr. CASTLEDEN: All we are asking for is the facts.

Mr. CRERAR: No. My hon. friend has got the matter all wrong to begin with. And in the second place, as I have said now for the third time, it has nothing whatever to do with what took place in the Mackenzie river valley.

Mr. GREEN: Which is the appropriate vote?

Mr. CRERAR: There is another vote here for it.

Mr. COLDWELL: The minister says that this can be discussed at the appropriate time. This item reads:

Investigations of petroliferous deposits and of potential petroliferous areas in Canada.

My hon. friend is discussing petroliferous areas in Canada when he is discussing the Yukon territory and the Mackenzie basin.

Mr. CRERAR: Quite true.

Mr. COLDWELL: Will the minister tell the committee what would be the appropriate item under which this project could be discussed? Whether it makes good headlines or bad headlines is not the question. The question is whether it is a good or a bad deal for Canada; whether we are giving away, as I think we are, one of our great resources to the Standard Oil Company of New Jersey and not getting adequate compensation for it; whether we are, as we have done in the past, alienating one of our great resources to a great corporation again and leaving the people of Canada without control of that resource. Obviously any ordinary member of this committee, not having a break-down of this particular item, in looking at it and seeing that it was for the investigation of petroliferous deposits and of potential petroliferous areas in Canada would conclude, and intelligently, that it took in the Yukon and the Mackenzie basin and that, therefore, was the item under which this could be discussed. Could the minister tell the committee, first, where it can be discussed and, second, what this item of $145,000 really is.

Mr. CRERAR: Yes, I can tell what the item of $145,000 is. But if the hon. member for Rosetown-Biggar will look further down the estimates under "Lands, parks and forests branch" he will find there an item of $10,000 for "expenses of liaison officers in connection with the Alaska highway and Canol projects". I think it would be quite proper to discuss the Canol project under that item, if it is desired to discuss it.

Mr. COLDWELL: I understood the minister to say a few moments ago that there was nothing in this war appropriation which dealt with the Canol project.

Mr. CRERAR: If I did, I did not intend to say so. I said that there was a time when it could be discussed.

Mr. COLDWELL: After all, the $10,000 item seems such a small one under which to discuss such a huge project. If the only interest we have in the Canol project is the $10,000 item in these estimates, then our interest is very very small.

Mr. CRERAR: My hon. friend is not right at all.

Mr. COLDWELL: The minister invited that sort of comment.

Mr. CRERAR: May I tell the committee that up to the present the federal government has not spent a single dollar—

Mr. COLDWELL: It has given away one of our resources.

Mr. CRERAR: No. That is rather extreme too. We are not in the habit of giving away our resources.

Mr. COLDWELL: Governments have.

Mr. CRERAR: We can discuss the whole Canol project, as far as it relates to the government under the item I mentioned a moment ago, and I would suggest that we leave it until we come to that item, and deal with this $145,000. The $145,000 is to cover explorations, or surveys, if you like, by seismograph and in other ways of other possible oil structures within the provinces of Canada, mainly in Saskatchewan and Alberta. Last year there was an item of $500,000 in the war appropriation vote for this purpose. A good deal of work was done, some of it in the Wainwright park area of Alberta. There was some aerial photography in Entrance and Wapiti areas in Alberta, and also certain surveys made for oil exploration in New Brunswick. Surveys also were made near Fort McMurray, Alberta. There is one other item which I should mention, namely that covering the work done by the Consolidated Mining and Smelting company in drilling the tar sands in the Fort McMurray area. That work was done under an agreement made with the company. This $145,000 is to continue similar investigations this year.

Mr. JOHNSTON (Bow River): Would that include further work in the tar sands area?

Mr. CRERAR: Yes; it has to do with the drilling of the tar sands. Briefly that is the purpose of this vote. I do not know exactly where the surveys will be conducted this year. One of the difficulties we are running into in this connection is getting the personnel to head up the geological parties and to service them while they are in the field.

Mr. COLDWELL: Did we spend the $500,000 last year?

Mr. CRERAR: The vote was $500,000, but we did not spend that much.

Mr. COLDWELL: What did you spend?

Mr. CRERAR: We spent $154,000 last year.

Mr. COLDWELL: And what happened to the balance?

Mr. CRERAR: It was not spent.

Mr. COLDWELL: It has not been transferred to some other item?

Mr. CRERAR: No.

Mr. COLDWELL: It is possible under this resolution, is it not, to transfer any unexpended balance to some other project?

Mr. CRERAR: It can be done only with the approval of treasury board, and treasury board does not give its approval very readily in these matters.

Mr. COLDWELL: But it is not under the control of this house once the item is passed. It is not like the regular estimates, in which the expenditure is definitely limited.

Mr. CRERAR: If we had $500,000 for investigations or explorations for petroliferous deposits and did not spend that amount; then if under the next item, which deals with the search for strategic minerals, we wanted to spend more money, with the approval of treasury board we could transfer the balance from one vote to the other, but it has to be done with the approval of treasury board.

Mr. COLDWELL: That is different from our ordinary budget resolutions and estimates. However, I was going to ask the minister what were the results achieved by spending $154,000 on this project. If we are to spend another $145,000 this year I think we should know what results were obtained by the expenditure last year of $154,000.

Mr. CRERAR: In the Wainwright park area, for instance, the investigations were very encouraging; so much so that presently the area is to be put up for competition for companies to go in and drill. Part of the structure is within the park and part is without the park, and we have arranged with the government of Alberta that the areas will be put up at the same time. All the data we have gathered in these surveys and explorations are available to any company that wants to go in and bid for these claims.

Mr. COLDWELL: Supposing a company goes in, drills wells and finds valuable deposits of oil. What do we get out of it?

Mr. CRERAR: In Alberta they will be subject to the royalties of that province.

Mr. COLDWELL: I was not thinking of Alberta. This is a dominion expenditure.

Mr. CRERAR: If they are discovered in the park they will be subject to any royalties we may impose.

Mr. COLDWELL: And as a rule what royalties do we impose?

Mr. CRERAR: We have never fixed royalties in the parks before, but I believe the royalties in Alberta are from five to fifteen per cent.

Mr. COLDWELL: But this is a dominion expenditure, and I am wondering what benefit accrues to the dominion by way of royalty as a result of this expenditure.

Mr. CRERAR: The only royalties we shall get will be those on any oil which may be found in the park. Those royalties will be determined, probably, on the same basis as those of the province of Alberta.

Mr. COLDWELL: And will the province of Alberta collect royalties as well?

Mr. CRERAR: They will collect royalties in the area outside the park; that is their property.

Mr. COLDWELL: The minister said that the area would be put up for competition by the government, so that companies could compete for the opportunity of drilling. How is that done; is it advertised?

Mr. CRERAR: Yes, it is advertised.

Mr. COLDWELL: How does the competition work? If we get nothing but royalties and those royalties have not yet been determined, what competition is there?

Mr. CRERAR: A person or company applying for a licence will offer a bonus, and the competition really is on the bonus. No matter what company gets the privilege, it has to pay a royalty in addition to the bonus offered.

Mr. COLDWELL: I did not quite hear what the minister said.

Mr. CRERAR: We lay down certain regulations for drilling in particular areas. Certain royalties have to be paid. The areas are put up for competition and it may be that one, two, three, four or five companies will bid for the right to explore. The highest bidder gets the right to go in and do the drilling. If he finds oil he carries on in a commercial way and pays a royalty to the proper government authority.

Mr. COLDWELL: Then practically it means that this is a competition among certain companies; and the company that can offer to pay the highest bonus will get the right to drill. Is that the idea?

Mr. CRERAR: Yes.

Mr. COLDWELL: Naturally this squeezes out any small man who may want to go in and try to find oil.

Mr. CRERAR: I do not think either the hon. member for Rosetown-Biggar or myself would have sufficient capital to go in and bid on one of these leases.

Mr. GRAYDON: Perhaps we could cease drilling operations now; it is eleven o'clock.

Mr. COLDWELL: Apparently there are certain limits to free enterprise.

Item stands.

Progress reported.

At eleven o'clock the house adjourned until Thursday at three o'clock p.m., pursuant to special order made Monday, February 21, 1944.

END OF VOLUME III